

# **ANNUAL FINANCIAL REPORT**

## **CHEATHAM COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2016**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**CHEATHAM COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

***COMPTROLLER OF THE TREASURY***  
***JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

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***Audit Manager***

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***Auditor 4***

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**WENDY HEATH, CFE**  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Summary of Audit Findings***

Annual Financial Report  
Cheatham County, Tennessee  
For the Year Ended June 30, 2016

## ***Scope***

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2016.

## ***Results***

Our report on Cheatham County's financial statements is unmodified.

Our audit resulted in six findings and recommendations, which we have reviewed with Cheatham County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The office had deficiencies in budget operations.

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### **OFFICE OF SHERIFF**

- ◆ The narcotics unit had a cash shortage of \$1,145 at February 3, 2016.
- ◆ The narcotics unit had questionable expenses with confidential funds totaling \$570.
- ◆ Evidence seized by the narcotics unit was missing.
- ◆ Confidential informant agreements and payment history logs were not maintained properly.
- ◆ Deficiencies were noted in the maintenance of narcotics unit case files.

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## INTRODUCTORY SECTION

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## Cheatham County Officials

June 30, 2016

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### **Officials**

David McCullough, County Mayor  
Carl Cothorn, Road Superintendent  
Dr. Stan Curtis, Director of Schools  
Betty Balthrop, Assessor of Property  
Dorothy Jones, Trustee  
Teresa Gupton, County Clerk  
Julie Hibbs, Circuit and General Sessions Courts Clerk  
Pam Jenkins, Clerk and Master  
Patrick Smith, Register of Deeds  
Mike Breedlove, Sheriff  
Tara Patterson, Director of Accounts and Budgets

### **Board of County Commissioners**

Donnie Jordan, Chairman  
Betty Ramsey  
Shanon Pickard  
Ann Jarreau  
Gary Binkley  
Dale McCarver

Jimmy Hedgepath  
Tim Williamson  
Dr. Connie Mayo  
Diana Pike Lovell  
Walter Weakley  
Eugene Evans

### **Board of Education**

Brian Chase, Chairman  
David Bibee  
Kimberly Messer

Dan Moore  
James Gupton  
John Louallen

### **Audit Committee**

Zach Clayton, Chairman  
Kerry McCarver  
Darwin Newton  
Jordan Tupper  
Charles Edens



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## FINANCIAL SECTION

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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Independent Auditor's Report

Cheatham County Mayor and  
Board of County Commissioners  
Cheatham County, Tennessee

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of June 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note V.B., Cheatham County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of school's funding progress - other postemployment benefits plan on pages 81-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cheatham County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

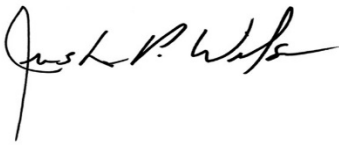
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017, on our consideration of Cheatham County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cheatham County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 17, 2017

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Cheatham County, Tennessee  
Statement of Net Position  
June 30, 2016

	Primary Governmental Activities	Component Unit Cheatham County School Department
<u>ASSETS</u>		
Cash	\$ 11,536	\$ 1,000
Equity in Pooled Cash and Investments	19,628,501	9,757,548
Accounts Receivable	3,272,311	97,112
Allowance for Uncollectibles	(2,307,129)	0
Due from Other Governments	760,641	893,759
Due from Component Units	3,368,236	0
Property Taxes Receivable	13,724,200	7,934,256
Allowance for Uncollectible Property Taxes	(287,649)	(169,067)
Cash Shortage	6,514	0
Net Pension Asset - Agent Plan	616,225	368,160
Net Pension Asset - Teacher Retirement Plan	0	36,787
Capital Assets:		
Assets Not Depreciated:		
Land	3,103,501	781,997
Intangibles	346,104	0
Construction in Progress	4,370	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,488,738	52,479,706
Other Capital Assets	2,453,087	3,894,255
Infrastructure	897,660	0
Total Assets	<u>\$ 51,086,846</u>	<u>\$ 76,075,513</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 44,849	\$ 0
Pension Changes in Experience	235,402	309,858
Pension Contributions After Measurement Date	497,593	2,336,561
Total Deferred Outflows of Resources	<u>\$ 777,844</u>	<u>\$ 2,646,419</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 204,460	\$ 495,954
Due to Primary Government	0	3,368,236
Payroll Deductions Payable	764	982,724
Due to Litigants, Heirs, and Others	38,729	0
Accrued Interest Payable	37,429	0
Noncurrent Liabilities:		
Due Within One Year	3,520,956	2,658
Due in More Than One Year	13,172,399	7,007,631
Total Liabilities	<u>\$ 16,974,737</u>	<u>\$ 11,857,203</u>

(Continued)

Exhibit A

Cheatham County, Tennessee  
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Unit Cheatham County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 13,140,558	\$ 7,588,342
Pension Changes in Experience	224,012	3,427,781
Pension Changes in Investment Earnings	255,105	1,510,777
Pension Other Deferrals	0	500,439
Total Deferred Inflows of Resources	<u>\$ 13,619,675</u>	<u>\$ 13,027,339</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,836,460	\$ 57,155,958
Restricted for:		
Capital Projects	376,739	57,675
Central Cafeteria	0	609,149
Debt Service	11,114,819	0
Highway/Public Works	2,028,315	0
Solid Waste/Sanitation	911,456	0
Drug Control	112,839	0
Jail, Workhouse, or Courthouse	475,469	0
Education	0	110
Pensions	616,225	404,947
Other Purposes	265,145	0
Unrestricted	<u>(4,467,189)</u>	<u>(4,390,449)</u>
Total Net Position	<u><u>\$ 21,270,278</u></u>	<u><u>\$ 53,837,390</u></u>

The notes to the financial statements are an integral part of this statement.



Exhibit B

Cheatham County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Cheatham County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,748,085	\$ 787,245	\$ 15,164	\$ 0	\$ (2,945,676)	\$ 0
Finance	1,472,333	1,122,173	8,381	0	(341,779)	0
Administration of Justice	1,617,752	967,243	9,400	0	(641,109)	0
Public Safety	7,437,705	469,109	132,377	43,395	(6,792,824)	0
Public Health and Welfare	3,183,548	1,160,716	68,245	0	(1,954,587)	0
Social, Cultural, and Recreational Services	386,743	21,387	1,251	0	(364,105)	0
Agriculture and Natural Resources	116,400	0	0	0	(116,400)	0
Highways/Public Works	2,990,895	0	1,738,319	200,098	(1,052,478)	0
Education	1,951,440	0	0	0	(1,951,440)	0
Interest on Long-term Debt	413,300	0	0	0	(413,300)	0
Other Debt Service	17,270	0	0	0	(17,270)	0
Total Primary Government	<u>\$ 23,335,471</u>	<u>\$ 4,527,873</u>	<u>\$ 1,973,137</u>	<u>\$ 243,493</u>	<u>\$ (16,590,968)</u>	<u>\$ 0</u>
Component Unit:						
Cheatham County School Department	<u>\$ 55,190,664</u>	<u>\$ 2,312,974</u>	<u>\$ 5,790,664</u>	<u>\$ 1,951,440</u>	<u>\$ 0</u>	<u>\$ (45,135,586)</u>
Total Component Units	<u>\$ 55,190,664</u>	<u>\$ 2,312,974</u>	<u>\$ 5,790,664</u>	<u>\$ 1,951,440</u>	<u>\$ 0</u>	<u>\$ (45,135,586)</u>

(Continued)

Exhibit B

Cheatham County, Tennessee  
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
					Primary	Component
					Government	Unit
					Total	Cheatham
					Governmental	County
					Activities	School
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 11,889,580	\$ 8,192,486
Property Taxes Levied for Debt Service					1,757,077	0
Local Option Sales Tax					1,814,065	2,258,277
Wheel Tax					1,672,139	431,198
Adequate Facilities/Development Tax					43,106	0
Wholesale Beer Tax					329,947	0
Fire Tax					957,708	0
Business Tax					267,328	0
Mixed Drink Tax					0	17,998
Litigation Tax					141,957	0
Interstate Telecommunications Tax					0	3,442
Payments in-Lieu-of Taxes					0	107,259
Hotel/Motel Tax					47,426	0
Other Local Taxes					3,930	0
Grants and Contributions Not Restricted to Specific Programs					1,171,946	34,105,744
Unrestricted Investment Earnings					120,390	463
Miscellaneous					168,250	29,384
Total General Revenues					<u>\$ 20,384,849</u>	<u>\$ 45,146,251</u>
Change in Net Position						
Net Position, July 1, 2015					<u>\$ 3,793,881</u>	<u>\$ 10,665</u>
Net Position, June 30, 2016					<u>17,476,397</u>	<u>53,826,725</u>
Net Position, June 30, 2016					<u>\$ 21,270,278</u>	<u>\$ 53,837,390</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Cheatham County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2016

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 650	\$ 0	\$ 0	\$ 10,886	\$ 11,536
Equity in Pooled Cash and Investments	5,889,360	1,943,577	9,449,690	2,345,874	19,628,501
Accounts Receivable	3,077,060	40,784	118,784	35,683	3,272,311
Allowance for Uncollectibles	(2,307,129)	0	0	0	(2,307,129)
Due from Other Governments	126,046	315,906	312,871	5,818	760,641
Due from Other Funds	0	0	447,689	0	447,689
Property Taxes Receivable	10,064,204	548,198	1,383,336	1,728,462	13,724,200
Allowance for Uncollectible Property Taxes	(208,579)	(11,684)	(29,479)	(37,907)	(287,649)
Cash Shortage	0	6,514	0	0	6,514
Total Assets	\$ 16,641,612	\$ 2,843,295	\$ 11,682,891	\$ 4,088,816	\$ 35,256,614
<u>LIABILITIES</u>					
Accounts Payable	\$ 186,377	\$ 3,878	\$ 0	\$ 14,205	\$ 204,460
Payroll Deductions Payable	63	148	0	553	764
Due to Other Funds	447,689	0	0	0	447,689
Due to Litigants, Heirs, and Others	0	0	0	38,729	38,729
Total Liabilities	\$ 634,129	\$ 4,026	\$ 0	\$ 53,487	\$ 691,642
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,643,442	\$ 524,290	\$ 1,323,019	\$ 1,649,807	\$ 13,140,558
Deferred Delinquent Property Taxes	189,992	10,932	27,573	36,499	264,996
Other Deferred/Unavailable Revenue	400,370	169,360	158,083	0	727,813
Total Deferred Inflows of Resources	\$ 10,233,804	\$ 704,582	\$ 1,508,675	\$ 1,686,306	\$ 14,133,367

(Continued)

Exhibit C-1

Cheatham County, Tennessee  
Balance Sheet  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
		Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>	General				
Restricted:					
Restricted for General Government	\$ 31,190	\$ 0	\$ 0	\$ 0	\$ 31,190
Restricted for Finance	11,777	0	0	0	11,777
Restricted for Administration of Justice	170,690	0	0	0	170,690
Restricted for Public Safety	505,667	0	0	112,839	618,506
Restricted for Public Health and Welfare	21,290	0	0	1,101,687	1,122,977
Restricted for Highways/Public Works	0	2,134,687	0	0	2,134,687
Restricted for Capital Outlay	0	0	0	364,133	364,133
Restricted for Debt Service	0	0	10,174,216	740,980	10,915,196
Committed:					
Committed for General Government	120,234	0	0	29,384	149,618
Committed for Finance	42,333	0	0	0	42,333
Committed for Public Safety	382,979	0	0	0	382,979
Committed for Social, Cultural, and Recreational Services	53,257	0	0	0	53,257
Committed for Other Operations	9,274	0	0	0	9,274
Assigned:					
Assigned for General Government	39,018	0	0	0	39,018
Assigned for Administration of Justice	9,314	0	0	0	9,314
Assigned for Public Safety	24,000	0	0	0	24,000
Assigned for Public Health and Welfare	50,067	0	0	0	50,067
Assigned for Social, Cultural, and Recreational Services	9,735	0	0	0	9,735
Assigned for Agriculture and Natural Resources	2,472	0	0	0	2,472
Assigned for Capital Projects	481,346	0	0	0	481,346
Unassigned	3,809,036	0	0	0	3,809,036
Total Fund Balances	\$ 5,773,679	\$ 2,134,687	\$ 10,174,216	\$ 2,349,023	\$ 20,431,605
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,641,612	\$ 2,843,295	\$ 11,682,891	\$ 4,088,816	\$ 35,256,614

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2016

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 20,431,605
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,103,501	
Add: intangibles	346,104	
Add: construction in progress	4,370	
Add: buildings and improvements net of accumulated depreciation	5,488,738	
Add: other capital assets net of accumulated depreciation	2,453,087	
Add: infrastructure net of accumulated depreciation	<u>897,660</u>	12,293,460
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (6,819,500)	
Less: notes payable	(3,315,840)	
Less: other loans payable	(5,454,786)	
Add: contributions due from component unit for debt retirement	3,368,236	
Less: compensated absences payable	(906,297)	
Less: landfill closure/postclosure costs	(196,932)	
Add: deferred amount on refunding	44,849	
Less: accrued interest on bonds, notes, and capital leases	<u>(37,429)</u>	(13,317,699)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	732,995	
Less: deferred inflows of resources related to pensions	<u>(479,117)</u>	253,878
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds		616,225
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>992,809</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 21,270,278</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 11,394,672	\$ 1,002,173	\$ 4,522,755	\$ 2,145,850	\$ 19,065,450
Licenses and Permits	478,190	0	0	0	478,190
Fines, Forfeitures, and Penalties	386,068	0	0	65,619	451,687
Charges for Current Services	1,050,066	0	0	190,134	1,240,200
Other Local Revenues	335,808	19,424	0	41,549	396,781
Fees Received From County Officials	1,779,572	0	0	0	1,779,572
State of Tennessee	959,399	1,947,754	37,300	49,286	2,993,739
Federal Government	94,127	0	0	0	94,127
Other Governments and Citizens Groups	458,317	0	438,348	0	896,665
Total Revenues	\$ 16,936,219	\$ 2,969,351	\$ 4,998,403	\$ 2,492,438	\$ 27,396,411
<u>Expenditures</u>					
Current:					
General Government	\$ 1,613,970	\$ 0	\$ 59,831	\$ 80,743	\$ 1,754,544
Finance	1,352,612	0	0	0	1,352,612
Administration of Justice	1,453,601	0	0	0	1,453,601
Public Safety	6,320,592	0	0	140,944	6,461,536
Public Health and Welfare	2,619,919	0	0	855,189	3,475,108
Social, Cultural, and Recreational Services	340,239	0	0	0	340,239
Agriculture and Natural Resources	105,989	0	0	0	105,989
Other Operations	2,469,973	0	0	46,860	2,516,833
Highways	0	3,026,594	0	0	3,026,594
Debt Service:					
Principal on Debt	0	0	4,153,734	1,594,812	5,748,546
Interest on Debt	0	0	295,926	107,231	403,157
Other Debt Service	0	0	14,765	2,505	17,270

(Continued)

Exhibit C-3

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 458,761	\$ 0	\$ 0	\$ 2,755,580	\$ 3,214,341
Total Expenditures	\$ 16,735,656	\$ 3,026,594	\$ 4,524,256	\$ 5,583,864	\$ 29,870,370
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,563	\$ (57,243)	\$ 474,147	\$ (3,091,426)	\$ (2,473,959)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 244,880	\$ 0	\$ 0	\$ 2,161,440	\$ 2,406,320
Insurance Recovery	9,863	0	0	18,350	28,213
Transfers In	31,161	0	4,933	155,000	191,094
Transfers Out	(159,933)	0	0	(31,161)	(191,094)
Total Other Financing Sources (Uses)	\$ 125,971	\$ 0	\$ 4,933	\$ 2,303,629	\$ 2,434,533
Net Change in Fund Balances	\$ 326,534	\$ (57,243)	\$ 479,080	\$ (787,797)	\$ (39,426)
Fund Balance, July 1, 2015	5,447,145	2,191,930	9,695,136	3,136,820	20,471,031
Fund Balance, June 30, 2016	\$ 5,773,679	\$ 2,134,687	\$ 10,174,216	\$ 2,349,023	\$ 20,431,605

The notes to the financial statements are an integral part of this statement.

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement  
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(39,426)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,340,803	
Less: current-year depreciation expense		(1,009,245)	331,558
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	43,395	
Less: book value of capital assets disposed		(14,979)	28,416
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2015	\$	(905,089)	
Add: deferred delinquent property taxes and other deferred June 30, 2016		992,809	87,720
(4) The issuance of long-term debt (e.g., notes, bonds, capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Add: principal payments on notes	\$	2,768,763	
Add: principal payments on bonds		1,500,000	
Add: principal payments on other loans		1,479,783	
Less: note proceeds		(2,406,320)	
Less: debt service contributions for principal to primary government		(411,408)	
Less: change in deferred amount on refunding debt		(27,146)	2,903,672
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	17,003	
Change in landfill closure/postclosure care costs		24,553	
Change in compensated absences payable		(45,402)	
Change in net pension liability/asset		(515,170)	
Change in deferred outflows of resources related to pensions		238,576	
Change in deferred inflows of resources related to pensions		762,381	481,941
Change in net position of governmental activities (Exhibit B)		\$	<u>3,793,881</u>

The notes to the financial statements are an integral part of this statement.



Exhibit C-5

Cheatham County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,394,672	\$ 0	\$ 0	\$ 11,394,672	\$ 11,052,895	\$ 11,076,275	\$ 318,397
Licenses and Permits	478,190	0	0	478,190	369,000	369,000	109,190
Fines, Forfeitures, and Penalties	386,068	0	0	386,068	302,050	302,050	84,018
Charges for Current Services	1,050,066	0	0	1,050,066	1,253,276	1,252,121	(202,055)
Other Local Revenues	335,808	0	0	335,808	181,629	281,251	54,557
Fees Received From County Officials	1,779,572	0	0	1,779,572	1,847,650	1,847,520	(67,948)
State of Tennessee	959,399	0	0	959,399	777,480	840,152	119,247
Federal Government	94,127	0	0	94,127	67,850	110,443	(16,316)
Other Governments and Citizens Groups	458,317	0	0	458,317	607,834	628,834	(170,517)
Total Revenues	\$ 16,936,219	\$ 0	\$ 0	\$ 16,936,219	\$ 16,459,664	\$ 16,707,646	\$ 228,573
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 113,878	\$ 0	\$ 0	\$ 113,878	\$ 109,439	\$ 114,439	\$ 561
County Mayor/Executive	182,913	0	241	183,154	213,145	192,345	9,191
Personnel Office	72,482	0	0	72,482	72,652	72,652	170
Election Commission	185,553	(456)	2,968	188,065	214,273	229,245	41,180
Register of Deeds	177,625	(8,840)	0	168,785	205,238	184,438	15,653
Building	226,448	(2,099)	275	224,624	235,531	229,918	5,294
County Buildings	655,071	(2,346)	80,975	733,700	684,307	769,243	35,543
<u>Finance</u>							
Accounting and Budgeting	335,910	(5,596)	6,759	337,073	350,383	347,898	10,825
Property Assessor's Office	294,293	(24,288)	0	270,005	317,953	281,996	11,991
Reappraisal Program	28,063	0	0	28,063	50,054	30,754	2,691
County Trustee's Office	258,051	0	0	258,051	285,418	262,293	4,242
County Clerk's Office	436,295	(10,304)	1,889	427,880	479,253	429,149	1,269
<u>Administration of Justice</u>							
Circuit Court	478,991	(10,998)	25,208	493,201	672,504	518,397	25,196
General Sessions Court	138,295	0	0	138,295	148,217	139,325	1,030
Chancery Court	248,342	0	428	248,770	278,208	254,765	5,995

(Continued)

## Exhibit C-5

Cheatham County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Juvenile Court	\$ 319,471	\$ (418)	\$ 0	\$ 319,053	\$ 350,167	\$ 321,210	\$ 2,157
District Attorney General	18,000	0	0	18,000	18,000	18,000	0
Probation Services	136,228	0	3,583	139,811	170,473	144,185	4,374
Courtroom Security	114,274	(1,200)	6,088	119,162	126,077	126,076	6,914
<u>Public Safety</u>							
Sheriff's Department	2,662,374	(12,788)	45,952	2,695,538	3,009,385	2,841,517	145,979
Jail	1,996,847	(4,921)	66,823	2,058,749	2,040,713	2,067,489	8,740
Rural Fire Protection	846,304	0	2,560	848,864	869,459	939,160	90,296
Other Emergency Management	189,390	0	37	189,427	145,212	194,102	4,675
County Coroner/Medical Examiner	61,525	0	0	61,525	70,650	70,650	9,125
Other Public Safety	564,152	0	0	564,152	761,109	634,407	70,255
<u>Public Health and Welfare</u>							
Local Health Center	60,412	(3,160)	1,200	58,452	46,150	74,881	16,429
Rabies and Animal Control	236,975	(9,925)	8,476	235,526	245,493	250,528	15,002
Ambulance/Emergency Medical Services	2,210,357	(15,901)	98,422	2,292,878	2,574,984	2,302,537	9,659
Other Local Health Services	38,184	0	0	38,184	39,652	39,652	1,468
General Welfare Assistance	33,120	0	0	33,120	33,198	33,198	78
Sanitation Education/Information	40,871	0	0	40,871	47,091	47,091	6,220
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	91,906	0	0	91,906	92,000	92,000	94
Libraries	248,333	(5,175)	3,419	246,577	270,453	254,128	7,551
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	63,072	0	0	63,072	111,336	105,693	42,621
Soil Conservation	42,917	0	0	42,917	52,162	43,272	355
<u>Other Operations</u>							
Other Economic and Community Development	66,619	0	0	66,619	71,900	71,900	5,281
Veterans' Services	65,410	(188)	1,358	66,580	69,626	76,016	9,436
Other Charges	249,731	0	0	249,731	225,000	248,000	(1,731)
Contributions to Other Agencies	361,916	0	0	361,916	364,416	364,416	2,500

(Continued)

Exhibit C-5

Cheatham County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Employee Benefits	\$ 1,401,281	\$ 0	\$ 0	\$ 1,401,281	\$ 19,000	\$ 1,593,137	\$ 191,856
Miscellaneous	325,016	0	0	325,016	313,703	341,391	16,375
<u>Capital Projects</u>							
Public Safety Projects	447,904	(18,658)	39,580	468,826	0	613,310	144,484
Highway and Street Capital Projects	10,857	0	0	10,857	0	244,880	234,023
Total Expenditures	<u>\$ 16,735,656</u>	<u>\$ (137,261)</u>	<u>\$ 396,241</u>	<u>\$ 16,994,636</u>	<u>\$ 16,453,984</u>	<u>\$ 18,209,683</u>	<u>\$ 1,215,047</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,563	\$ 137,261	\$ (396,241)	\$ (58,417)	\$ 5,680	\$ (1,502,037)	\$ 1,443,620
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 244,880	\$ 0	\$ 0	\$ 244,880	\$ 0	\$ 244,880	\$ 0
Insurance Recovery	9,863	0	0	9,863	1,500	11,363	(1,500)
Transfers In	31,161	0	0	31,161	0	0	31,161
Transfers Out	(159,933)	0	0	(159,933)	(6,700)	(161,700)	1,767
Total Other Financing Sources	<u>\$ 125,971</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 125,971</u>	<u>\$ (5,200)</u>	<u>\$ 94,543</u>	<u>\$ 31,428</u>
Net Change in Fund Balance	\$ 326,534	\$ 137,261	\$ (396,241)	\$ 67,554	\$ 480	\$ (1,407,494)	\$ 1,475,048
Fund Balance, July 1, 2015	<u>5,447,145</u>	<u>(137,261)</u>	<u>0</u>	<u>5,309,884</u>	<u>5,160,885</u>	<u>5,160,885</u>	<u>148,999</u>
Fund Balance, June 30, 2016	<u>\$ 5,773,679</u>	<u>\$ 0</u>	<u>\$ (396,241)</u>	<u>\$ 5,377,438</u>	<u>\$ 5,161,365</u>	<u>\$ 3,753,391</u>	<u>\$ 1,624,047</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Cheatham County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,002,173	\$ 0	\$ 0	\$ 1,002,173	\$ 971,630	\$ 971,630	\$ 30,543
Other Local Revenues	19,424	0	0	19,424	5,400	8,061	11,363
State of Tennessee	1,947,754	0	0	1,947,754	2,303,400	2,303,400	(355,646)
Total Revenues	\$ 2,969,351	\$ 0	\$ 0	\$ 2,969,351	\$ 3,280,430	\$ 3,283,091	\$ (313,740)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 182,717	\$ 0	\$ 1,500	\$ 184,217	\$ 187,192	\$ 187,192	\$ 2,975
Highway and Bridge Maintenance	1,854,250	(94,085)	22,044	1,782,209	1,998,368	2,113,250	331,041
Operation and Maintenance of Equipment	328,620	(4,571)	5,415	329,464	468,155	382,991	53,527
Other Charges	126,660	0	0	126,660	125,025	129,386	2,726
Employee Benefits	410,770	0	0	410,770	468,600	477,356	66,586
Capital Outlay	123,577	0	0	123,577	20,100	133,607	10,030
Total Expenditures	\$ 3,026,594	\$ (98,656)	\$ 28,959	\$ 2,956,897	\$ 3,267,440	\$ 3,423,782	\$ 466,885
Excess (Deficiency) of Revenues Over Expenditures	\$ (57,243)	\$ 98,656	\$ (28,959)	\$ 12,454	\$ 12,990	\$ (140,691)	\$ 153,145
Net Change in Fund Balance	\$ (57,243)	\$ 98,656	\$ (28,959)	\$ 12,454	\$ 12,990	\$ (140,691)	\$ 153,145
Fund Balance, July 1, 2015	2,191,930	(98,656)	0	2,093,274	2,076,711	2,076,711	16,563
Fund Balance, June 30, 2016	\$ 2,134,687	\$ 0	\$ (28,959)	\$ 2,105,728	\$ 2,089,701	\$ 1,936,020	\$ 169,708

The notes to the financial statements are an integral part of this statement.

Exhibit D

Cheatham County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,549,783
Due from Other Governments	506,805
Cash Shortage	<u>1,145</u>
Total Assets	<u>\$ 2,057,733</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 506,805
Due to Litigants, Heirs, and Others	<u>1,550,928</u>
Total Liabilities	<u>\$ 2,057,733</u>

The notes to the financial statements are an integral part of this statement.

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## CHEATHAM COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cheatham County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Cheatham County:

**A. Reporting Entity**

Cheatham County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Cheatham County (the primary government) and its component units. The financial statements of the Cheatham County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect our opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Cheatham County School Department operates the public school system in the county, and the voters of Cheatham County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Cheatham County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Cheatham County, and the Cheatham County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Cheatham County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Cheatham County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Cheatham County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Cheatham County Emergency  
Communications District  
P.O. Box 682  
Ashland City, TN 37015

**Related Organizations** – The Cheatham County Water and Waste Water Authority and Cheatham County Industrial Development Board are related organizations of Cheatham County. The county's officials are responsible for appointing the members of the boards, but the county's accountability for the organizations does not extend beyond making the appointments.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Cheatham County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Cheatham County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.



Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues totaling \$1,951,440 were contributed by the county to the School Department during the year ended June 30, 2016.

Separate financial statements are provided for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Cheatham County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Cheatham County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Cheatham County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are

generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Cheatham County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

**Education Debt Service Fund** – This fund accounts for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for construction and renovation projects.

Additionally, Cheatham County reports the following fund types:

**Capital Projects Funds** – These funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Cheatham County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do,

however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Cheatham County School Department reports the following major governmental fund:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Cheatham County School Department reports the following fund types:

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for the receipt of debt issued by Cheatham County and contributed to the School Department for building construction and renovations.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Cheatham County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash

and Investments. Most income from these pooled investments is assigned to the General Fund. Cheatham County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes.

Additional costs attach to delinquent taxes after a court suit has been filed.

### 3. **Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Land Improvements	10 - 20
Other Capital Assets	5 - 15
Infrastructure	20 - 40

### 4. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred charge on refunding, pension changes in experience, pension changes in

investment earnings, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **5. Compensated Absences**

It is the county's policy to permit employees to accumulate limited amounts of earned but unused vacation benefits (with the exception of the Offices of County Clerk, Trustee, and Register of Deeds that do not allow the accumulation of unused vacation). The general policy of the county permits the unlimited accumulation of unused sick leave days. There is no liability for unpaid accumulated sick leave (with the exception of the Road Department) since Cheatham County does not have a policy to pay any amounts when employees separate from service with the government.

School Department employees may accumulate limited amounts of earned but unused vacation benefits. The general policy of the School Department permits the unlimited accumulation of unused sick leave days. The granting of vacation and sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. However, the School Department does allow accrual of limited compensatory time.

All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **7. Net Position and Fund Balance**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2016, Cheatham County had \$13,133,126 in outstanding debt for capital purposes of the discretely presented Cheatham County School Department. This debt is a liability of Cheatham County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Cheatham County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.



Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Cheatham County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Cheatham County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Cheatham County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position**

#### **Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

#### **Discretely Presented Cheatham County School Department**

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

### **B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

#### **Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

#### **Discretely Presented Cheatham County School Department**

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds (except for the Other Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Cheatham County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, Personnel Office, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2016, the Cheatham County School Department reported the following significant encumbrances:

Funds	Description	Amount
School Department:		
Major Fund:		
General Purpose School	School Buses	\$ 635,040

## **B. Cash Shortages**

The audit of Cheatham County for the 2007-08 year reported a cash shortage of \$68,281.11 in the Highway Department. Our investigation revealed that from February 5, 2007, through December 18, 2007, the Highway Department bookkeeper fraudulently issued 16 vendor checks totaling \$68,281.11 for personal use. On August 15, 2008, the bookkeeper was found guilty of theft of \$60,000 or more, sentenced, and ordered to pay restitution totaling \$68,211.11 to the Highway Department. An unpaid cash shortage of \$6,514 existed as of June 30, 2016.

The Sheriff's Department Narcotics Unit had a cash shortage of \$1,145 as of June 30, 2016. The sheriff is taking action to recover the funds. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**C. Expenditures Exceeded Appropriations**

1. Total expenditures and other uses of the General Purpose School and the Extended School Program funds exceeded total appropriations approved by the County Commission by \$70,675 and \$6,492, respectively.
2. Expenditures exceeded appropriations approved by the County Commission in one of 44 major appropriation categories (the legal level of control) of the General Fund and in 8 of 29 major appropriation categories of the General Purpose School Fund, as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Other Operations - Other Charges	\$ 1,731
General Purpose School:	
Instruction - Regular Instruction Program	373,967
Instruction - Special Education Program	40,262
Support Services - Attendance	2,157
Support Services - Alternative Instruction Program	6,928
Support Services - Vocational Education Program	109
Support Services - Office of the Principal	100,347
Support Services - Fiscal Services	42,164
Support Services - Operation of Plant	132,641

3. Salaries exceeded appropriations in 37 of the 96 salary line-items of the General Purpose School, School Federal Projects, Central Cafeteria, and Extended School Program funds by amounts ranging from \$30 to \$91,462. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Cheatham County and the Cheatham County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

##### Deposits

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

##### Investments

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the

State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2016, Cheatham County had the following investments carried at amortized cost. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	4 to 117	\$ 6,087,035

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments, as previously disclosed. Cheatham County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cheatham County has no investment policy that would further limit its investment choices. As of June 30, 2016, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2016, was as follows:

## Primary Government

### Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 3,103,501	\$ 0	\$ 0	\$ 3,103,501
Intangibles	346,104	0	0	346,104
Construction in Progress	0	4,370	0	4,370
Total Capital Assets Not Depreciated	<u>\$ 3,449,605</u>	<u>\$ 4,370</u>	<u>\$ 0</u>	<u>\$ 3,453,975</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,115,327	\$ 396,887	\$ 0	\$ 12,512,214
Other Capital Assets	8,458,930	982,941	(57,793)	9,384,078
Infrastructure	16,808,514	0	0	16,808,514
Total Capital Assets Depreciated	<u>\$ 37,382,771</u>	<u>\$ 1,379,828</u>	<u>\$ (57,793)</u>	<u>\$ 38,704,806</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,725,231	\$ 298,245	\$ 0	\$ 7,023,476
Other Capital Assets	6,401,495	572,310	(42,814)	6,930,991
Infrastructure	15,772,164	138,690	0	15,910,854
Total Accumulated Depreciation	<u>\$ 28,898,890</u>	<u>\$ 1,009,245</u>	<u>\$ (42,814)</u>	<u>\$ 29,865,321</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,483,881</u>	<u>\$ 370,583</u>	<u>\$ (14,979)</u>	<u>\$ 8,839,485</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,933,486</u>	<u>\$ 374,953</u>	<u>\$ (14,979)</u>	<u>\$ 12,293,460</u>

Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General Government	\$	191,252
Public Safety		225,147
Public Health and Welfare		338,746
Social, Cultural, and Recreational Services		32,795
Highway/Public Works		<u>221,305</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,009,245</u></u>

**Discretely Presented Cheatham County School Department****Governmental Activities:**

	Balance 7-1-15	Increases	Balance 6-30-16
Capital Assets Not Depreciated:			
Land	\$ 781,997	\$ 0	\$ 781,997
Total Capital Assets Not Depreciated	<u>\$ 781,997</u>	<u>\$ 0</u>	<u>\$ 781,997</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 98,151,013	\$ 1,251,600	\$ 99,402,613
Other Capital Assets	<u>7,416,961</u>	<u>29,995</u>	<u>7,446,956</u>
Total Capital Assets Depreciated	<u>\$ 105,567,974</u>	<u>\$ 1,281,595</u>	<u>\$ 106,849,569</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 44,663,570	\$ 2,259,337	\$ 46,922,907
Other Capital Assets	<u>2,996,744</u>	<u>555,957</u>	<u>3,552,701</u>
Total Accumulated Depreciation	<u>\$ 47,660,314</u>	<u>\$ 2,815,294</u>	<u>\$ 50,475,608</u>
Total Capital Assets Depreciated, Net	<u>\$ 57,907,660</u>	<u>\$ (1,533,699)</u>	<u>\$ 56,373,961</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 58,689,657</u></u>	<u><u>\$ (1,533,699)</u></u>	<u><u>\$ 57,155,958</u></u>

Depreciation expense was charged to the functions of the discretely presented Cheatham County School Department as follows:



**Governmental Activities:**

Support Services	\$ 2,811,658
Operation of Non-instructional Services	<u>3,636</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,815,294</u>

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances at June 30, 2016, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Education Debt Service	General	\$ 447,689
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	4,322
Nonmajor governmental	General Purpose School	10,033

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenses occur and payments between funds are made.

**Due to/from Primary Government and Component Units:**

The amount reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position includes a long-term receivable of \$3,368,236 for debt issued by the primary government, the principal of which is being contributed by the School Department. The amount of the receivable not expected to be received within one year is \$2,953,732.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Education Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 4,933	\$ 155,000
Nonmajor Governmental Fund	31,161	0	0
Total	\$ 31,161	\$ 4,933	\$ 155,000

**Discretely Presented Cheatham County School Department**

Transfer Out	Transfer In Nonmajor Governmental Fund
General Purpose School Fund	\$ 1,013,147
Total	\$ 1,013,147

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**D. Long-term Obligations****Primary Government****General Obligation Bonds, Notes, and Other Loans**

Cheatham County issues general obligation bonds, capital outlay notes, and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 13 years for bonds, up to 11 years for notes, and up to 20 years for other loans. Repayment terms are generally structured with

increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, and other loans included in long-term debt as of June 30, 2016, will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds -					
Refunding	1.97 to 3.14	%	6-1-22	\$ 12,699,500	\$ 6,819,500
Capital Outlay Notes	2.68 to 4.0		6-1-24	4,154,840	3,315,840
Other Loans	variable		5-1-24	16,907,569	5,454,786

In prior years, Cheatham County entered into loan agreements with the Montgomery County Public Building Authority. These loan agreements provided for the authority to make \$7,040,703 and \$2,262,948 available for loan to Cheatham County for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2016, the variable interest rate was .57 percent on the \$7,040,703 loan and .56 percent on the \$2,262,948 loan; and other fees based on the outstanding loan principal on each loan totaled approximately .50 percent (letter of credit); .08 percent (remarketing); and \$60 per month (trustee).

Also, during a prior year, Cheatham County entered into a loan agreement with the Tennessee Municipal Bond Fund – City of Clarksville Public Building Authority. This loan agreement provided the authority to make \$2,575,000 available for loan to Cheatham County for the purchase of land. The loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee and debt remarketing) in connection with this loan. At June 30, 2016, the variable interest rate was approximately 1.24 percent; and other fees based on the outstanding loan principal totaled approximately .15 percent (administrative fee); and \$100 per month per loan (trustee).

In a prior year, Cheatham County entered into a loan agreement with the Tennessee Energy Efficient Schools Council. This loan agreement provided for the authority to make \$5,028,918 available for loan to the discretely presented Cheatham County School Department for energy efficiency upgrades. This loan is repayable at a .75 percent rate of interest over 13 years.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2016, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,558,000	\$ 180,637	\$ 1,738,637
2018	1,637,210	142,628	1,779,838
2019	1,768,000	102,580	1,870,580
2020	724,000	59,258	783,258
2021	713,590	36,047	749,637
2022	418,700	13,330	432,030
Total	<u>\$ 6,819,500</u>	<u>\$ 534,480</u>	<u>\$ 7,353,980</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 251,949	\$ 104,844	\$ 356,793
2018	245,051	100,150	345,201
2019	1,535,840	95,984	1,631,824
2020	258,000	33,845	291,845
2021	266,000	26,440	292,440
2022-2024	759,000	32,899	791,899
Total	<u>\$ 3,315,840</u>	<u>\$ 394,162</u>	<u>\$ 3,710,002</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 1,529,747	\$ 38,577	\$ 12,904	\$ 1,581,228
2018	1,142,379	26,255	7,074	1,175,708
2019	667,320	18,980	2,870	689,170
2020	423,936	14,412	0	438,348
2021	427,128	11,220	0	438,348
2022-2024	1,264,276	14,247	0	1,278,523
Total	<u>\$ 5,454,786</u>	<u>\$ 123,691</u>	<u>\$ 22,848</u>	<u>\$ 5,601,325</u>

There is \$740,980 available in the General Debt Service Fund and \$10,174,216 in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$399, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-16
<u>Other Loans Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Schools Initiative	\$ 3,368,236

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities	Bonds	Notes	Other Loans
Balance, July 1, 2015	\$ 8,319,500	\$ 3,678,283	\$ 6,934,569
Additions	0	2,406,320	0
Reductions	(1,500,000)	(2,768,763)	(1,479,783)
Balance, June 30, 2016	\$ 6,819,500	\$ 3,315,840	\$ 5,454,786
Balance Due Within One Year	\$ 1,558,000	\$ 251,949	\$ 1,529,747

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2015	\$ 860,895	\$ 221,485
Additions	963,044	0
Reductions	(917,642)	(24,553)
Balance, June 30, 2016	\$ 906,297	\$ 196,932
Balance Due Within One Year	\$ 181,260	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 16,693,355
Less: Due Within One Year	<u>(3,520,956)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 13,172,399</u>

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Cheatham County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Cheatham County School Department for the year ended June 30, 2016, was as follows:

Governmental Activities

	Compensated Absences	Other Postemployment Benefits	Net Pension Liability - Legacy Plan*
Balance, July 1, 2015	\$ 15,103	\$ 6,040,669	\$ (91,039)
Additions	10,633	1,337,090	3,837,194
Reductions	<u>(15,103)</u>	<u>(588,957)</u>	<u>(3,535,301)</u>
Balance, June 30, 2016	<u>\$ 10,633</u>	<u>\$ 6,788,802</u>	<u>\$ 210,854</u>
Balance Due Within One Year	<u>\$ 2,658</u>	<u>\$ 0</u>	<u>\$ 0</u>

\*At July 1, 2015, the legacy plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 7,010,289
Less: Due Within One Year	<u>(2,658)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,007,631</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

**E. On-Behalf Payments – Discretely Presented Cheatham County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cheatham County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2016, were \$143,765 and \$24,225, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Cheatham County**

The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county pays an annual premium to the TN-RMT for its workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

In February 2016, Cheatham County switched from commercial insurance for its employee health and accident plan to the Local Government Group Insurance Fund, a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

### **Discretely Presented Cheatham County School Department**

The School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

#### **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.



GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

**C. Subsequent Events**

On August 31, 2016, Betty Balthrop left the Office of Property Assessor and was succeeded by Cindy Dozier Burney.

On August 31, 2016, Carl Cothorn left the Office of Road Superintendent and was succeeded by Robert Hester.

On October 27, 2016, Dr. Stan Curtis left the Office of Director of Schools and was succeeded by Interim Director Stacy Brinkley.

On November 9, 2016, Tara Patterson left the Office of Director of Accounts and Budgets and was succeeded by Sandrine Batts.

On December 20, 2016, Cheatham County issued a \$365,000 capital outlay note for the purchase of school HVACs.

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney estimates that any potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**E. Landfill Closure/Postclosure Care Costs**

Cheatham County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require Cheatham County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$196,932 reported as landfill closure and postclosure care liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 21 percent of the estimated capacity of the landfill. The county will recognize

the remaining estimated costs of closure and postclosure care of \$761,472 if or as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Cheatham County Joint Economic and Community Development Board is a joint venture between Cheatham County and the cities of Ashland City, Kingston Springs, Pegram, and Pleasant View. The board comprises the county mayor, city mayors, and thirteen additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Cheatham County paid expenses of \$66,619 on behalf of and contributed \$123,614 to the Cheatham County Joint Economic and Community Development Board during the 2015-16 year.

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Cheatham County did not appropriate any funds to the operations of the DTF during the year ended June 30, 2016.

Cheatham County does not retain an equity interest in any of these joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board  
100 Public Square  
Ashland City, TN 37015

District Attorney General  
Twenty-third Judicial District Drug Task Force  
P.O. Box 580  
Charlotte, TN 37036

**G. Jointly Governed Organization**

The Cheatham County Rail Authority was created by the county in conjunction with Metropolitan Davidson County. The Cheatham County Rail Authority's board includes seven members. Five members are appointed by the Cheatham County Commission, and two members are appointed by Metropolitan Davidson County. Cheatham County did not appropriate any funds to the authority for the year ended June 30, 2016. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

**H. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Cheatham County and non-certified employees of the discretely presented Cheatham County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 62.6 percent and the non-certified employees of the discretely presented School Department comprised 37.4 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a

service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	232
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	469
Active Employees	457
Total	<u><u>1,158</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Cheatham County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Cheatham County was \$783,645 based on a rate of 5.8 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Cheatham County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability (Asset)**

Cheatham County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate

net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Cheatham County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 33,606,308	\$ 36,083,635	\$ (2,477,327)
Changes for the year:			
Service Cost	\$ 1,030,792	\$ 0	\$ 1,030,792
Interest	2,539,278	0	2,539,278
Differences Between Expected and Actual Experience	470,051	0	470,051
Contributions-Employer	0	783,645	(783,645)
Contributions-Employees	0	675,582	(675,582)
Net Investment Income	0	1,109,859	(1,109,859)
Benefit Payments, Including Refunds of Employee Contributions	(1,560,128)	(1,560,128)	0
Administrative Expense	0	(21,907)	21,907
Other Changes	0	0	0
Net Changes	\$ 2,479,993	\$ 987,051	\$ 1,492,942
Balance, June 30, 2015	\$ 36,086,301	\$ 37,070,686	\$ (984,385)

### Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.60%	\$ 22,590,024	\$ 23,206,249	\$ (616,225)
School Department	37.40%	13,496,277	13,864,437	(368,160)
Total		\$ 36,086,301	\$ 37,070,686	\$ (984,385)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Cheatham County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Cheatham County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 3,818,361	\$ (984,385)	\$ (4,939,599)

**Negative Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Negative Pension Expense.* For the year ended June 30, 2016, Cheatham County recognized pension expense of \$52,503.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Cheatham County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 376,041	\$ 357,846
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,273,446	1,680,962
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	855,951	N/A
Total	<u>\$ 2,505,438</u>	<u>\$ 2,038,808</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.



Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,530,172	\$ 1,276,294
School Department	975,266	762,514
Total	<u>\$ 2,505,438</u>	<u>\$ 2,038,808</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (267,231)
2018	(267,231)
2019	(267,231)
2020	412,372
2021	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Discretely Presented Cheatham County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Cheatham County and non-certified employees of the discretely presented Cheatham County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.6 percent and the non-certified employees of the discretely presented School Department comprise 37.4 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Cheatham County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher

Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$154,627, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2016, the Cheatham County School Department reported an asset of \$36,787 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Cheatham County School Department's proportion of the net pension asset was based on the Cheatham County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Cheatham County School Department's proportion was .914423 percent.

*Pension Expense.* For the year ended June 30, 2016, the Cheatham County School Department recognized pension expense of \$48,210.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Cheatham County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 11,973
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,974	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	154,627	N/A
Total	<u>\$ 157,601</u>	<u>\$ 11,973</u>

The Cheatham County School Department's employer contributions of \$154,627, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (254)
2018	(254)
2019	(254)
2020	(254)
2021	(998)
Thereafter	(6,985)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Cheatham County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Cheatham County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 6,523	\$ (36,787)	\$ (68,551)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Cheatham County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member

and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Cheatham County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,823,576, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2016, the Cheatham County School Department reported a liability of \$210,854 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Cheatham County School Department's proportion of the net pension liability (asset) was based on the Cheatham County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Cheatham County School Department's proportion was .514737



percent. The proportion measured at June 30, 2014, was .560263 percent.

*Negative Pension Expense.* For the year ended June 30, 2016, the Cheatham County School Department recognized negative pension expense of \$278,102.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Cheatham County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 169,219	\$ 3,281,974
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,807,364	5,168,704
Changes in Proportion of Net Pension Liability (Asset)	0	500,439
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	1,823,576	N/A
Total	<u>\$ 5,800,159</u>	<u>\$ 8,951,117</u>

The Cheatham County School Department's employer contributions of \$1,823,576 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,493,699)
2018	(1,493,699)
2019	(1,493,699)
2020	229,202
2021	(722,639)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Cheatham County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Cheatham County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$ 14,375,318	\$ 210,854	\$ (11,515,652)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## 2. **Deferred Compensation – Primary Government**

Cheatham County offers its employees a deferred compensation plan, established pursuant to IRC Section 401(k). All costs of administering and funding this program is the responsibility of plan participants. The Section 401(k) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 401(k) establishes participation, contribution, and withdrawal provisions for the plan.

## 3. **Deferred Compensation – Discretely Presented Cheatham County School Department**

The Cheatham County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 403(b) and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Sections 403(b) and 401(k) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 401(k) establish participation, contribution, and withdrawal provisions for the plan.

## I. **Other Postemployment Benefits (OPEB)**

### **Primary Government**

#### **Plan Description**

Cheatham County switched from a commercial healthcare plan to the state-administered Local Government Group Insurance Plan in February 2016. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program. This effectively terminates any current or future postemployment benefits liability of the county government.

## Discretely Presented School Department

### Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for health care benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/article/fa-accfin-cafr>.

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Cheatham County School Department recognized expenditures of \$588,957 for postemployment benefits during the year ended June 30, 2016.

### Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Insurance Plan
ARC	\$ 1,338,000
Interest on the NOPEBO	226,525
Adjustment to the ARC	(227,435)
Annual OPEB cost	\$ 1,337,090
Amount of contribution	(588,957)
Increase/decrease in NOPEBO	\$ 748,133
Net OPEB obligation, 7-1-15	6,040,669
Net OPEB obligation, 6-30-16	<u>\$ 6,788,802</u>

Fiscal Year Ending Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14 Local Education Group	\$ 1,175,849	47 %	\$ 5,328,736
6-30-15 "	1,218,490	42	6,040,669
6-30-16 "	1,337,090	44	6,788,802

#### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

(dollars in thousands)

	Local Education Group Insurance Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 10,855
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 10,855
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 28,593
UAAL as a % of covered payroll	38%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial

assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care costs trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

**J. Office of Central Accounting and Budgeting**

Office of Director of Accounts and Budgets

Cheatham County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering all funds administered by the county mayor and road superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

**K. Purchasing Laws**

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by Chapter 250, Private Acts of 1933, as amended, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Chapter 250, Private Acts of 1933, as amended, provides for the establishment of a Purchasing Commission whose responsibility is to establish guidelines for bid requirements and purchasing procedures and to keep a record of all purchases. The County Purchasing Law of 1983 and the Uniform Road Law both provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Cheatham County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit E-1

Cheatham County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	2014	2015
<b>Total Pension Liability (Asset)</b>		
Service Cost	\$ 994,390	\$ 1,030,792
Interest	2,433,946	2,539,278
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(596,410)	470,051
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,367,699)	(1,560,128)
Net Change in Total Pension Liability (Asset)	\$ 1,464,227	\$ 2,479,993
Total Pension Liability (Asset), Beginning	32,142,081	33,606,308
Total Pension Liability (Asset), Ending (a)	\$ 33,606,308	\$ 36,086,301
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 761,356	\$ 783,645
Contributions - Employee	664,687	675,582
Net Investment Income	5,122,155	1,109,859
Benefit Payments, Including Refunds of Employee Contributions	(1,367,699)	(1,560,128)
Administrative Expense	(16,751)	(21,907)
Net Change in Plan Fiduciary Net Position	\$ 5,163,748	\$ 987,051
Plan Fiduciary Net Position, Beginning	30,919,887	36,083,635
Plan Fiduciary Net Position, Ending (b)	\$ 36,083,635	\$ 37,070,686
Net Pension Liability (Asset), Ending (a - b)	\$ (2,477,327)	\$ (984,385)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.37%	102.73%
Covered Employee Payroll	\$ 13,264,064	\$ 13,500,247
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	18.68%	(7.29%)

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-2

Cheatham County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	2014	2015	2016
Actuarially Determined Contribution	\$ 761,356	\$ 789,869	\$ 855,951
Less Contributions in Relation to the			
Actuarially Determined Contribution	(761,356)	(789,869)	(855,951)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 13,264,064	\$ 11,444,154	\$ 11,675,534
Contributions as a Percentage of Covered Employee Payroll	5.74%	6.90%	5.80%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-3

Cheatham County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Cheatham County School Department  
For the Fiscal Year Ended June 30

	2015	2016
Contractually Required Contribution	\$ 47,499	\$ 96,641
Less Contributions in Relation to the Contractually Required Contribution	(75,998)	(154,627)
Contribution Deficiency (Excess)	\$ (28,499)	\$ (57,986)
Covered Employee Payroll	\$ 1,899,954	\$ 3,865,635
Contributions as a Percentage of Covered Employee Payroll	4.00%	4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Cheatham County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Cheatham County School Department  
For the Fiscal Year Ended June 30

	2014	2015	2016
Contractually Required Contribution	\$ 1,952,735	\$ 1,741,942	\$ 1,823,576
Less Contributions in Relation to the Contractually Required Contribution	(1,952,735)	(1,741,942)	(1,823,576)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 21,990,227	\$ 24,363,448	\$ 26,350,820
Contributions as a Percentage of Covered Employee Payroll	8.88%	7.15%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Cheatham County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Pension Plan of TCRS  
Discretely Presented Cheatham County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.914423%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (36,787)
Covered Employee Payroll	\$ 1,899,954
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Cheatham County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Cheatham County School Department  
For the Fiscal Year Ended June 30 \*

	2014	2015
School Department's Proportion of the Net Pension Liability (Asset)	0.560263%	0.514737%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (91,040)	\$ 210,854
Covered Employee Payroll	\$ 21,990,262	\$ 19,269,280
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(0.414002)%	1.094250%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-7

Cheatham County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Cheatham County School Department  
June 30, 2016

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	\$ 0	\$ 6,070	\$ 6,070	0 %	\$ 30,150	20 %
"	7-1-13	0	9,530	9,530	0	27,935	34
"	7-1-15	0	10,855	10,855	0	28,593	38

**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2016**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	2 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%



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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions of Cheatham County's recycling/convenience centers.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Unemployment Compensation Fund – The Unemployment Compensation Fund is used to account for transactions of the county's unemployment compensation plan.

# Debt Service Fund

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Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

# Capital Projects Funds

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

---

General Capital Projects Fund – The General Capital Projects Fund is used to account for the general capital expenditures of the county.

Education Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for construction and renovation projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for motor vehicle purchases.

## Exhibit F-1

Cheatham County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 300	\$ 0	\$ 10,586	\$ 0	\$ 10,886
Equity in Pooled Cash and Investments	9,879	1,111,561	110,043	0	18,813	1,250,296
Accounts Receivable	692	2,100	3,231	28,143	0	34,166
Due from Other Governments	0	0	0	0	0	0
Property Taxes Receivable	0	809,056	0	0	0	809,056
Allowance for Uncollectible Property Taxes	0	(17,900)	0	0	0	(17,900)
Total Assets	<u>\$ 10,571</u>	<u>\$ 1,905,117</u>	<u>\$ 113,274</u>	<u>\$ 38,729</u>	<u>\$ 18,813</u>	<u>\$ 2,086,504</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 13,770	\$ 435	\$ 0	\$ 0	\$ 14,205
Payroll Deductions Payable	0	553	0	0	0	553
Due to Litigants, Heirs, and Others	0	0	0	38,729	0	38,729
Total Liabilities	<u>\$ 0</u>	<u>\$ 14,323</u>	<u>\$ 435</u>	<u>\$ 38,729</u>	<u>\$ 0</u>	<u>\$ 53,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 771,761	\$ 0	\$ 0	\$ 0	\$ 771,761
Deferred Delinquent Property Taxes	0	17,346	0	0	0	17,346
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 789,107</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 789,107</u>

(Continued)

Exhibit F-1

Cheatham County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 112,839	\$ 0	\$ 0	\$ 112,839
Restricted for Public Health and Welfare	0	1,101,687	0	0	0	1,101,687
Restricted for Capital Outlay	0	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0	0
Committed:						
Committed for General Government	10,571	0	0	0	18,813	29,384
Total Fund Balances	<u>\$ 10,571</u>	<u>\$ 1,101,687</u>	<u>\$ 112,839</u>	<u>\$ 0</u>	<u>\$ 18,813</u>	<u>\$ 1,243,910</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,571</u>	<u>\$ 1,905,117</u>	<u>\$ 113,274</u>	<u>\$ 38,729</u>	<u>\$ 18,813</u>	<u>\$ 2,086,504</u>

(Continued)

## Exhibit F-1

Cheatham County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,886
Equity in Pooled Cash and Investments	733,895	186,701	174,982	361,683	2,345,874
Accounts Receivable	479	214	824	1,038	35,683
Due from Other Governments	5,818	0	0	0	5,818
Property Taxes Receivable	296,374	54,060	568,972	623,032	1,728,462
Allowance for Uncollectible Property Taxes	(6,668)	(1,200)	(12,139)	(13,339)	(37,907)
Total Assets	<u>\$ 1,029,898</u>	<u>\$ 239,775</u>	<u>\$ 732,639</u>	<u>\$ 972,414</u>	<u>\$ 4,088,816</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,205
Payroll Deductions Payable	0	0	0	0	553
Due to Litigants, Heirs, and Others	0	0	0	0	38,729
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 282,371	\$ 51,556	\$ 544,119	\$ 595,675	\$ 1,649,807
Deferred Delinquent Property Taxes	6,547	1,179	11,427	12,606	36,499
Total Deferred Inflows of Resources	<u>\$ 288,918</u>	<u>\$ 52,735</u>	<u>\$ 555,546</u>	<u>\$ 608,281</u>	<u>\$ 1,686,306</u>

(Continued)

Exhibit F-1

Cheatham County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	Other Capital Projects	Total	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,839
Restricted for Public Health and Welfare	0	0	0	0	1,101,687
Restricted for Capital Outlay	0	187,040	177,093	364,133	364,133
Restricted for Debt Service	740,980	0	0	0	740,980
Committed:					
Committed for General Government	0	0	0	0	29,384
Total Fund Balances	<u>\$ 740,980</u>	<u>\$ 187,040</u>	<u>\$ 177,093</u>	<u>\$ 364,133</u>	<u>\$ 2,349,023</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,029,898</u>	<u>\$ 239,775</u>	<u>\$ 732,639</u>	<u>\$ 972,414</u>	<u>\$ 4,088,816</u>

Exhibit F-2

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>Revenues</u>						
Local Taxes	\$ 8,278	\$ 907,591	\$ 0	\$ 0	\$ 0	\$ 915,869
Fines, Forfeitures, and Penalties	0	0	65,619	0	0	65,619
Charges for Current Services	0	162,034	0	100	28,000	190,134
Other Local Revenues	0	19,328	17,358	0	0	36,686
State of Tennessee	0	23,460	0	0	0	23,460
Total Revenues	<u>\$ 8,278</u>	<u>\$ 1,112,413</u>	<u>\$ 82,977</u>	<u>\$ 100</u>	<u>\$ 28,000</u>	<u>\$ 1,231,768</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 11,102	\$ 20,070	\$ 792	\$ 0	\$ 26,469	\$ 58,433
Public Safety	0	0	140,844	100	0	140,944
Public Health and Welfare	0	855,189	0	0	0	855,189
Other Operations	0	46,860	0	0	0	46,860
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	<u>\$ 11,102</u>	<u>\$ 922,119</u>	<u>\$ 141,636</u>	<u>\$ 100</u>	<u>\$ 26,469</u>	<u>\$ 1,101,426</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,824)</u>	<u>\$ 190,294</u>	<u>\$ (58,659)</u>	<u>\$ 0</u>	<u>\$ 1,531</u>	<u>\$ 130,342</u>

(Continued)



Exhibit F-2

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Insurance Recovery	0	734	0	0	0	734
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(31,161)	0	0	(31,161)
Total Other Financing Sources (Uses)	\$ 0	\$ 734	\$ (31,161)	\$ 0	\$ 0	(30,427)
Net Change in Fund Balances	\$ (2,824)	\$ 191,028	\$ (89,820)	\$ 0	\$ 1,531	\$ 99,915
Fund Balance, July 1, 2015	13,395	910,659	202,659	0	17,282	1,143,995
Fund Balance, June 30, 2016	\$ 10,571	\$ 1,101,687	\$ 112,839	\$ 0	\$ 18,813	\$ 1,243,910

(Continued)

## Exhibit F-2

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Capital Projects Funds				Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	Total		
<u>Revenues</u>							
Local Taxes	\$ 586,363	\$ 58,332	\$ 0	\$ 585,286	\$ 643,618	\$	2,145,850
Fines, Forfeitures, and Penalties	0	0	0	0	0		65,619
Charges for Current Services	0	0	0	0	0		190,134
Other Local Revenues	893	0	0	3,970	3,970		41,549
State of Tennessee	8,872	1,577	0	15,377	16,954		49,286
Total Revenues	<u>\$ 596,128</u>	<u>\$ 59,909</u>	<u>\$ 0</u>	<u>\$ 604,633</u>	<u>\$ 664,542</u>	<u>\$</u>	<u>2,492,438</u>
<u>Expenditures</u>							
Current:							
General Government	\$ 9,383	\$ 1,168	\$ 0	\$ 11,759	\$ 12,927	\$	80,743
Public Safety	0	0	0	0	0		140,944
Public Health and Welfare	0	0	0	0	0		855,189
Other Operations	0	0	0	0	0		46,860
Debt Service:							
Principal on Debt	1,594,812	0	0	0	0		1,594,812
Interest on Debt	107,231	0	0	0	0		107,231
Other Debt Service	2,505	0	0	0	0		2,505
Capital Projects	0	86,680	1,951,440	717,460	2,755,580		2,755,580
Total Expenditures	<u>\$ 1,713,931</u>	<u>\$ 87,848</u>	<u>\$ 1,951,440</u>	<u>\$ 729,219</u>	<u>\$ 2,768,507</u>	<u>\$</u>	<u>5,583,864</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,117,803)</u>	<u>\$ (27,939)</u>	<u>\$ (1,951,440)</u>	<u>\$ (124,586)</u>	<u>\$ (2,103,965)</u>	<u>\$</u>	<u>(3,091,426)</u>

(Continued)

Exhibit F-2

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Capital Projects Funds				Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	Total		
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 1,951,440	\$ 210,000	\$ 2,161,440	\$	2,161,440
Insurance Recovery	0	0	0	17,616	17,616		18,350
Transfers In	0	155,000	0	0	155,000		155,000
Transfers Out	0	0	0	0	0		(31,161)
Total Other Financing Sources (Uses)	\$ 0	\$ 155,000	\$ 1,951,440	\$ 227,616	\$ 2,334,056	\$	2,303,629
Net Change in Fund Balances	\$ (1,117,803)	\$ 127,061	\$ 0	\$ 103,030	\$ 230,091	\$	(787,797)
Fund Balance, July 1, 2015	1,858,783	59,979	0	74,063	134,042		3,136,820
Fund Balance, June 30, 2016	\$ 740,980	\$ 187,040	\$ 0	\$ 177,093	\$ 364,133	\$	2,349,023

Exhibit F-3

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 8,278	\$ 0	\$ 8,278	\$ 10,000	\$ 10,000	\$ (1,722)
Total Revenues	\$ 8,278	\$ 0	\$ 8,278	\$ 10,000	\$ 10,000	\$ (1,722)
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 11,019	\$ 3,435	\$ 14,454	\$ 9,850	\$ 14,454	\$ 0
Other General Administration	83	0	83	150	150	67
Total Expenditures	\$ 11,102	\$ 3,435	\$ 14,537	\$ 10,000	\$ 14,604	\$ 67
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,824)	\$ (3,435)	\$ (6,259)	\$ 0	\$ (4,604)	\$ (1,655)
Net Change in Fund Balance	\$ (2,824)	\$ (3,435)	\$ (6,259)	\$ 0	\$ (4,604)	\$ (1,655)
Fund Balance, July 1, 2015	13,395	0	13,395	13,395	13,395	0
Fund Balance, June 30, 2016	\$ 10,571	\$ (3,435)	\$ 7,136	\$ 13,395	\$ 8,791	\$ (1,655)

## Exhibit F-4

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 907,591	\$ 0	\$ 0	\$ 907,591	\$ 894,164	\$ 894,164	\$ 13,427
Charges for Current Services	162,034	0	0	162,034	125,000	125,000	37,034
Other Local Revenues	19,328	0	0	19,328	35,025	35,025	(15,697)
State of Tennessee	23,460	0	0	23,460	31,600	31,600	(8,140)
Total Revenues	\$ 1,112,413	\$ 0	\$ 0	\$ 1,112,413	\$ 1,085,789	\$ 1,085,789	\$ 26,624
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 20,070	\$ 0	\$ 0	\$ 20,070	\$ 25,000	\$ 25,000	\$ 4,930
<u>Public Health and Welfare</u>							
Sanitation Management	235,143	0	0	235,143	301,025	260,707	25,564
Convenience Centers	592,072	(940)	1,000	592,132	672,958	670,043	77,911
Landfill Operation and Maintenance	27,974	(4,274)	29,500	53,200	66,232	66,232	13,032
<u>Other Operations</u>							
Employee Benefits	46,860	0	0	46,860	6,000	49,790	2,930
Miscellaneous	0	0	0	0	5,000	5,000	5,000
Total Expenditures	\$ 922,119	\$ (5,214)	\$ 30,500	\$ 947,405	\$ 1,076,215	\$ 1,076,772	\$ 129,367
Excess (Deficiency) of Revenues Over Expenditures	\$ 190,294	\$ 5,214	\$ (30,500)	\$ 165,008	\$ 9,574	\$ 9,017	\$ 155,991
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 734	\$ 0	\$ 0	\$ 734	\$ 0	\$ 559	\$ 175
Total Other Financing Sources	\$ 734	\$ 0	\$ 0	\$ 734	\$ 0	\$ 559	\$ 175
Net Change in Fund Balance	\$ 191,028	\$ 5,214	\$ (30,500)	\$ 165,742	\$ 9,574	\$ 9,576	\$ 156,166
Fund Balance, July 1, 2015	910,659	(5,214)	0	905,445	904,632	904,632	813
Fund Balance, June 30, 2016	\$ 1,101,687	\$ 0	\$ (30,500)	\$ 1,071,187	\$ 914,206	\$ 914,208	\$ 156,979

Exhibit F-5

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 65,619	\$ 0	\$ 0	\$ 65,619	\$ 110,000	\$ 117,311	\$ (51,692)
Other Local Revenues	17,358	0	0	17,358	0	17,358	0
Total Revenues	\$ 82,977	\$ 0	\$ 0	\$ 82,977	\$ 110,000	\$ 134,669	\$ (51,692)
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 792	\$ 0	\$ 0	\$ 792	\$ 2,500	\$ 2,500	\$ 1,708
<u>Public Safety</u>							
Special Patrols	54,850	(5,150)	4,207	53,907	122,717	87,356	33,449
Drug Enforcement	85,994	(807)	0	85,187	55,500	124,369	39,182
Total Expenditures	\$ 141,636	\$ (5,957)	\$ 4,207	\$ 139,886	\$ 180,717	\$ 214,225	\$ 74,339
Excess (Deficiency) of Revenues Over Expenditures	\$ (58,659)	\$ 5,957	\$ (4,207)	\$ (56,909)	\$ (70,717)	\$ (79,556)	\$ 22,647
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (31,161)	\$ 0	\$ 0	\$ (31,161)	\$ 0	\$ (31,161)	\$ 0
Total Other Financing Sources	\$ (31,161)	\$ 0	\$ 0	\$ (31,161)	\$ 0	\$ (31,161)	\$ 0
Net Change in Fund Balance	\$ (89,820)	\$ 5,957	\$ (4,207)	\$ (88,070)	\$ (70,717)	\$ (110,717)	\$ 22,647
Fund Balance, July 1, 2015	202,659	(5,957)	0	196,702	196,701	196,701	1
Fund Balance, June 30, 2016	\$ 112,839	\$ 0	\$ (4,207)	\$ 108,632	\$ 125,984	\$ 85,984	\$ 22,648

## Exhibit F-6

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Unemployment Compensation Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 28,000	\$ 100,000	\$ 100,000	\$ (72,000)
Total Revenues	<u>\$ 28,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (72,000)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 26,469	\$ 100,000	\$ 100,000	\$ 73,531
Total Expenditures	<u>\$ 26,469</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 73,531</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,531</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,531</u>
Net Change in Fund Balance	\$ 1,531	\$ 0	\$ 0	\$ 1,531
Fund Balance, July 1, 2015	17,282	17,282	17,282	0
Fund Balance, June 30, 2016	<u>\$ 18,813</u>	<u>\$ 17,282</u>	<u>\$ 17,282</u>	<u>\$ 1,531</u>

## Exhibit F-7

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 586,363	\$ 516,098	\$ 516,098	\$ 70,265
Other Local Revenues	893	0	0	893
State of Tennessee	8,872	5,000	5,000	3,872
Total Revenues	<u>\$ 596,128</u>	<u>\$ 521,098</u>	<u>\$ 521,098</u>	<u>\$ 75,030</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 9,383	\$ 13,000	\$ 13,000	\$ 3,617
<u>Principal on Debt</u>				
General Government	1,594,812	858,088	1,601,088	6,276
<u>Interest on Debt</u>				
General Government	107,231	107,672	137,977	30,746
<u>Other Debt Service</u>				
General Government	2,505	6,000	6,000	3,495
Total Expenditures	<u>\$ 1,713,931</u>	<u>\$ 984,760</u>	<u>\$ 1,758,065</u>	<u>\$ 44,134</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,117,803)</u>	<u>\$ (463,662)</u>	<u>\$ (1,236,967)</u>	<u>\$ 119,164</u>
Net Change in Fund Balance	\$ (1,117,803)	\$ (463,662)	\$ (1,236,967)	\$ 119,164
Fund Balance, July 1, 2015	<u>1,858,783</u>	<u>1,858,816</u>	<u>1,858,816</u>	<u>(33)</u>
Fund Balance, June 30, 2016	<u>\$ 740,980</u>	<u>\$ 1,395,154</u>	<u>\$ 621,849</u>	<u>\$ 119,131</u>



Exhibit F-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 585,286	\$ 0	\$ 585,286	\$ 556,573	\$ 556,573	\$ 28,713
Other Local Revenues	3,970	0	3,970	0	0	3,970
State of Tennessee	15,377	0	15,377	11,000	11,000	4,377
Total Revenues	\$ 604,633	\$ 0	\$ 604,633	\$ 567,573	\$ 567,573	\$ 37,060
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 11,759	\$ 0	\$ 11,759	\$ 15,000	\$ 15,000	\$ 3,241
<u>Capital Projects</u>						
Other General Government Projects	717,460	(8,799)	708,661	481,722	709,441	780
Total Expenditures	\$ 729,219	\$ (8,799)	\$ 720,420	\$ 496,722	\$ 724,441	\$ 4,021
Excess (Deficiency) of Revenues Over Expenditures	\$ (124,586)	\$ 8,799	\$ (115,787)	\$ 70,851	\$ (156,868)	\$ 41,081
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 210,000	\$ 0	\$ 210,000	\$ 0	\$ 210,000	\$ 0
Insurance Recovery	17,616	0	17,616	0	17,616	0
Total Other Financing Sources	\$ 227,616	\$ 0	\$ 227,616	\$ 0	\$ 227,616	\$ 0
Net Change in Fund Balance	\$ 103,030	\$ 8,799	\$ 111,829	\$ 70,851	\$ 70,748	\$ 41,081
Fund Balance, July 1, 2015	74,063	(8,799)	65,264	0	0	65,264
Fund Balance, June 30, 2016	\$ 177,093	\$ 0	\$ 177,093	\$ 70,851	\$ 70,748	\$ 106,345

# **Major Governmental Fund**

## **Education Debt Service Fund**

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The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for education related principal and interest.

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## Exhibit G

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,522,755	\$ 3,923,584	\$ 3,923,584	\$ 599,171
State of Tennessee	37,300	30,000	30,000	7,300
Other Governments and Citizens Groups	438,348	0	438,348	0
Total Revenues	<u>\$ 4,998,403</u>	<u>\$ 3,953,584</u>	<u>\$ 4,391,932</u>	<u>\$ 606,471</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 59,831	\$ 60,000	\$ 60,000	\$ 169
<u>Principal on Debt</u>				
Education	4,153,734	2,157,375	4,153,734	0
<u>Interest on Debt</u>				
Education	295,926	328,308	371,450	75,524
<u>Other Debt Service</u>				
Education	14,765	70,000	70,000	55,235
Total Expenditures	<u>\$ 4,524,256</u>	<u>\$ 2,615,683</u>	<u>\$ 4,655,184</u>	<u>\$ 130,928</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 474,147</u>	<u>\$ 1,337,901</u>	<u>\$ (263,252)</u>	<u>\$ 737,399</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,933	\$ 6,700	\$ 6,700	\$ (1,767)
Total Other Financing Sources	<u>\$ 4,933</u>	<u>\$ 6,700</u>	<u>\$ 6,700</u>	<u>\$ (1,767)</u>
Net Change in Fund Balance	\$ 479,080	\$ 1,344,601	\$ (256,552)	\$ 735,632
Fund Balance, July 1, 2015	<u>9,695,136</u>	<u>9,554,094</u>	<u>9,554,094</u>	<u>141,042</u>
Fund Balance, June 30, 2016	<u>\$ 10,174,216</u>	<u>\$ 10,898,695</u>	<u>\$ 9,297,542</u>	<u>\$ 876,674</u>

# Fiduciary Funds

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Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

## Exhibit H-1

Cheatham County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2016

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,549,783	\$ 1,549,783
Due from Other Governments	506,805	0	506,805
Cash Shortage	0	1,145	1,145
Total Assets	<u>\$ 506,805</u>	<u>\$ 1,550,928</u>	<u>\$ 2,057,733</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 506,805	\$ 0	\$ 506,805
Due to Litigants, Heirs, and Others	0	1,550,928	1,550,928
Total Liabilities	<u>\$ 506,805</u>	<u>\$ 1,550,928</u>	<u>\$ 2,057,733</u>

## Exhibit H-2

Cheatham County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,767,107	\$ 2,767,107	\$ 0
Due from Other Governments	449,350	506,805	449,350	506,805
Total Assets	\$ 449,350	\$ 3,273,912	\$ 3,216,457	\$ 506,805
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 449,350	\$ 3,273,912	\$ 3,216,457	\$ 506,805
Total Liabilities	\$ 449,350	\$ 3,273,912	\$ 3,216,457	\$ 506,805
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,665,080	\$ 10,114,505	\$ 10,229,802	\$ 1,549,783
Cash Shortage	0	1,145	0	1,145
Total Assets	\$ 1,665,080	\$ 10,115,650	\$ 10,229,802	\$ 1,550,928
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,665,080	\$ 10,115,650	\$ 10,229,802	\$ 1,550,928
Total Liabilities	\$ 1,665,080	\$ 10,115,650	\$ 10,229,802	\$ 1,550,928
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,665,080	\$ 10,114,505	\$ 10,229,802	\$ 1,549,783
Equity in Pooled Cash and Investments	0	2,767,107	2,767,107	0
Due from Other Governments	449,350	506,805	449,350	506,805
Cash Shortage	0	1,145	0	1,145
Total Assets	\$ 2,114,430	\$ 13,389,562	\$ 13,446,259	\$ 2,057,733
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 449,350	\$ 3,273,912	\$ 3,216,457	\$ 506,805
Due to Litigants, Heirs, and Others	1,665,080	10,115,650	10,229,802	1,550,928
Total Liabilities	\$ 2,114,430	\$ 13,389,562	\$ 13,446,259	\$ 2,057,733

# Cheatham County School Department

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This section presents fund financial statements for the Cheatham County School Department, a discretely presented component unit. The School Department uses a General Fund, three Special Revenue Funds, and one Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Extended School Program Fund – The Extended School Program Fund is used to account for transactions related to the after-school program in the individual schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit I-1

Cheatham County, Tennessee  
Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 30,711,452	\$ 2,734	\$ 1,832,754	\$ 0	\$ (28,875,964)
Support Services	19,482,306	168,818	1,279,760	1,951,440	(16,082,288)
Operation of Non-instructional Services	4,996,906	2,141,422	2,678,150	0	(177,334)
Total Governmental Activities	\$ 55,190,664	\$ 2,312,974	\$ 5,790,664	\$ 1,951,440	\$ (45,135,586)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,192,486
Local Option Sales Tax					2,258,277
Wheel Tax					431,198
Mixed Drink Tax					17,998
Payments in-Lieu-of Taxes					107,259
Interstate Telecommunications Tax					3,442
Grants and Contributions Not Restricted to Specific Programs					34,105,744
Unrestricted Investment Earnings					463
Miscellaneous					29,384
Total General Revenues					\$ 45,146,251
Change in Net Position					\$ 10,665
Net Position, July 1, 2015					53,826,725
Net Position, June 30, 2016					\$ 53,837,390



## Exhibit I-2

Cheatham County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2016

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,000	\$ 1,000
Equity in Pooled Cash and Investments	8,119,653	1,637,895	9,757,548
Accounts Receivable	468	96,644	97,112
Due from Other Governments	711,725	182,034	893,759
Due from Other Funds	4,322	10,033	14,355
Property Taxes Receivable	7,934,256	0	7,934,256
Allowance for Uncollectible Property Taxes	(169,067)	0	(169,067)
Total Assets	\$ 16,601,357	\$ 1,927,606	\$ 18,528,963
<u>LIABILITIES</u>			
Accounts Payable	\$ 446,503	\$ 49,451	\$ 495,954
Payroll Deductions Payable	913,468	69,256	982,724
Due to Other Funds	10,033	4,322	14,355
Total Liabilities	\$ 1,370,004	\$ 123,029	\$ 1,493,033
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 7,588,342	\$ 0	\$ 7,588,342
Deferred Delinquent Property Taxes	158,054	0	158,054
Other Deferred/Unavailable Revenue	197,604	0	197,604
Total Deferred Inflows of Resources	\$ 7,944,000	\$ 0	\$ 7,944,000
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 110	\$ 0	\$ 110
Restricted for Operation of Non-instructional Services	0	609,149	609,149
Restricted for Capital Projects	0	57,675	57,675
Committed:			
Committed for Education	505,582	148,537	654,119
Assigned:			
Assigned for Education	1,028,065	989,216	2,017,281
Unassigned	5,753,596	0	5,753,596
Total Fund Balances	\$ 7,287,353	\$ 1,804,577	\$ 9,091,930
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,601,357	\$ 1,927,606	\$ 18,528,963

Exhibit I-3

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Cheatham County School Department  
June 30, 2016

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	9,091,930
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	781,997	
Add: buildings and improvements net of accumulated depreciation		52,479,706	
Add: other capital assets net of accumulated depreciation		<u>3,894,255</u>	57,155,958
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability	\$	(6,788,802)	
Less: contributions due on primary government debt for other loans		(3,368,236)	
Less: net pension liability - teacher legacy plan		(210,854)	
Less: compensated absences payable		<u>(10,633)</u>	(10,378,525)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	2,646,419	
Less: deferred inflows of resources related to pensions		<u>(5,438,997)</u>	(2,792,578)
(4) Net pension assets of the agent plan and the teacher retirement plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension liability - agent plan	\$	368,160	
Add: net pension liability - teacher retirement plan		<u>36,787</u>	404,947
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>355,658</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>53,837,390</u></u>

## Exhibit I-4

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 11,057,578	\$ 0	\$ 11,057,578
Licenses and Permits	3,164	0	3,164
Charges for Current Services	111,543	2,141,375	2,252,918
Other Local Revenues	108,225	2,229	110,454
State of Tennessee	33,834,617	30,759	33,865,376
Federal Government	1,223,202	4,769,766	5,992,968
Other Governments and Citizens Groups	1,951,440	0	1,951,440
Total Revenues	<u>\$ 48,289,769</u>	<u>\$ 6,944,129</u>	<u>\$ 55,233,898</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 30,558,332	\$ 1,330,524	\$ 31,888,856
Support Services	16,022,879	1,305,876	17,328,755
Operation of Non-instructional Services	723,610	4,372,028	5,095,638
Capital Outlay	1,390,788	0	1,390,788
Debt Service:			
Other Debt Service	438,348	0	438,348
Total Expenditures	<u>\$ 49,133,957</u>	<u>\$ 7,008,428</u>	<u>\$ 56,142,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (844,188)</u>	<u>\$ (64,299)</u>	<u>\$ (908,487)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 193,143	\$ 0	\$ 193,143
Transfers In	0	1,013,147	1,013,147
Transfers Out	(1,013,147)	0	(1,013,147)
Total Other Financing Sources (Uses)	<u>\$ (820,004)</u>	<u>\$ 1,013,147</u>	<u>\$ 193,143</u>
Net Change in Fund Balances	\$ (1,664,192)	\$ 948,848	\$ (715,344)
Fund Balance, July 1, 2015	8,951,545	855,729	9,807,274
Fund Balance, June 30, 2016	<u>\$ 7,287,353</u>	<u>\$ 1,804,577</u>	<u>\$ 9,091,930</u>

Exhibit I-5

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement  
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	(715,344)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,281,595	
Less: current-year depreciation expense		<u>(2,815,294)</u>	(1,533,699)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2015	\$	(388,227)	
Add: deferred delinquent property taxes and other deferred June 30, 2016		<u>355,658</u>	(32,569)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal payments on loans for primary government			411,408
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	4,470	
Change in other postemployment benefits liability		(748,133)	
Change in pension asset - agent plan		(977,772)	
Change in pension asset - teacher retirement plan		36,787	
Change in pension liability - teacher legacy plan		(301,893)	
Change in deferred outflows of resources related to pensions		312,006	
Change in deferred inflows of resources related to pensions		<u>3,555,404</u>	1,880,869
Change in net position of governmental activities (Exhibit B)		\$	<u><u>10,665</u></u>

Exhibit I-6

Cheatham County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2016

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,000	\$ 0	\$ 1,000	\$ 0	\$ 1,000
Equity in Pooled Cash and Investments	46,196	613,189	920,835	1,580,220	57,675	1,637,895
Accounts Receivable	0	190	96,454	96,644	0	96,644
Due from Other Governments	182,034	0	0	182,034	0	182,034
Due from Other Funds	0	0	10,033	10,033	0	10,033
Total Assets	\$ 228,230	\$ 614,379	\$ 1,027,322	\$ 1,869,931	\$ 57,675	\$ 1,927,606
<u>LIABILITIES</u>						
Accounts Payable	\$ 27,209	\$ 4,774	\$ 17,468	\$ 49,451	\$ 0	\$ 49,451
Payroll Deductions Payable	48,162	456	20,638	69,256	0	69,256
Due to Other Funds	4,322	0	0	4,322	0	4,322
Total Liabilities	\$ 79,693	\$ 5,230	\$ 38,106	\$ 123,029	\$ 0	\$ 123,029
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Operation of Non-instructional Services	\$ 0	\$ 609,149	\$ 0	\$ 609,149	\$ 0	\$ 609,149
Restricted for Capital Projects	0	0	0	0	57,675	57,675
Committed:						
Committed for Education	148,537	0	0	148,537	0	148,537
Assigned:						
Assigned for Education	0	0	989,216	989,216	0	989,216
Total Fund Balances	\$ 148,537	\$ 609,149	\$ 989,216	\$ 1,746,902	\$ 57,675	\$ 1,804,577
Total Liabilities and Fund Balances	\$ 228,230	\$ 614,379	\$ 1,027,322	\$ 1,869,931	\$ 57,675	\$ 1,927,606

Exhibit I-7

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 1,040,439	\$ 1,100,936	\$ 2,141,375	\$ 0	\$ 2,141,375
Other Local Revenues	0	2,229	0	2,229	0	2,229
State of Tennessee	0	30,759	0	30,759	0	30,759
Federal Government	2,621,246	2,148,520	0	4,769,766	0	4,769,766
Total Revenues	\$ 2,621,246	\$ 3,221,947	\$ 1,100,936	\$ 6,944,129	\$ 0	\$ 6,944,129
<u>Expenditures</u>						
Current:						
Instruction	\$ 1,330,524	\$ 0	\$ 0	\$ 1,330,524	\$ 0	\$ 1,330,524
Support Services	1,305,876	0	0	1,305,876	0	1,305,876
Operation of Non-Instructional Services	0	3,247,161	1,124,867	4,372,028	0	4,372,028
Total Expenditures	\$ 2,636,400	\$ 3,247,161	\$ 1,124,867	\$ 7,008,428	\$ 0	\$ 7,008,428
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,154)	\$ (25,214)	\$ (23,931)	\$ (64,299)	\$ 0	\$ (64,299)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 1,013,147	\$ 1,013,147	\$ 0	\$ 1,013,147
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 1,013,147	\$ 1,013,147	\$ 0	\$ 1,013,147
Net Change in Fund Balances	\$ (15,154)	\$ (25,214)	\$ 989,216	\$ 948,848	\$ 0	\$ 948,848
Fund Balance, July 1, 2015	163,691	634,363	0	798,054	57,675	855,729
Fund Balance, June 30, 2016	\$ 148,537	\$ 609,149	\$ 989,216	\$ 1,746,902	\$ 57,675	\$ 1,804,577

Exhibit I-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b><u>Revenues</u></b>						
Local Taxes	\$ 11,057,578	\$ 0	\$ 11,057,578	\$ 10,747,400	\$ 10,747,400	\$ 310,178
Licenses and Permits	3,164	0	3,164	3,300	3,300	(136)
Charges for Current Services	111,543	0	111,543	125,000	125,000	(13,457)
Other Local Revenues	108,225	0	108,225	74,000	88,793	19,432
State of Tennessee	33,834,617	0	33,834,617	33,537,823	33,692,953	141,664
Federal Government	1,223,202	0	1,223,202	1,509,764	1,670,854	(447,652)
Other Governments and Citizens Groups	1,951,440	0	1,951,440	0	2,001,440	(50,000)
Total Revenues	\$ 48,289,769	\$ 0	\$ 48,289,769	\$ 45,997,287	\$ 48,329,740	\$ (39,971)
<b><u>Expenditures</u></b>						
<b><u>Instruction</u></b>						
Regular Instruction Program	\$ 25,301,144	\$ 39,554	\$ 25,340,698	\$ 24,135,131	\$ 24,966,731	\$ (373,967)
Alternative Instruction Program	466,469	0	466,469	173,739	472,869	6,400
Special Education Program	3,686,591	0	3,686,591	3,732,615	3,646,329	(40,262)
Vocational Education Program	1,104,128	111	1,104,239	1,146,314	1,114,952	10,713
Adult Education Program	0	0	0	89,497	0	0
<b><u>Support Services</u></b>						
Attendance	63,324	0	63,324	54,357	61,167	(2,157)
Health Services	1,307,811	0	1,307,811	1,324,070	1,324,071	16,260
Other Student Support	1,345,607	31,281	1,376,888	1,423,622	1,450,491	73,603
Regular Instruction Program	1,592,740	0	1,592,740	1,605,090	1,618,177	25,437
Alternative Instruction Program	67,381	0	67,381	35,196	60,453	(6,928)
Special Education Program	535,861	0	535,861	558,378	573,170	37,309
Vocational Education Program	80,057	0	80,057	82,511	79,948	(109)
Adult Programs	2,997	0	2,997	37,048	2,997	0

(Continued)

Exhibit I-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Other Programs	\$ 167,990	\$ 0	\$ 167,990	\$ 0	\$ 167,990	\$ 0
Board of Education	651,844	0	651,844	761,384	706,609	54,765
Director of Schools	267,592	2,026	269,618	303,490	273,888	4,270
Office of the Principal	2,601,458	0	2,601,458	2,473,986	2,501,111	(100,347)
Fiscal Services	379,423	52,083	431,506	401,540	389,342	(42,164)
Human Services/Personnel	109,212	0	109,212	129,438	114,315	5,103
Operation of Plant	3,115,461	0	3,115,461	3,171,020	2,982,820	(132,641)
Maintenance of Plant	1,367,805	22,508	1,390,313	1,251,261	1,510,771	120,458
Transportation	2,366,316	648,384	3,014,700	2,483,774	3,275,366	260,666
<u>Operation of Non-Instructional Services</u>						
Community Services	187,899	0	187,899	200,000	195,000	7,101
Early Childhood Education	535,711	0	535,711	497,023	535,714	3
<u>Capital Outlay</u>						
Regular Capital Outlay	1,390,788	0	1,390,788	145,000	1,396,600	5,812
<u>Principal on Debt</u>						
Education	0	0	0	411,408	0	0
<u>Interest on Debt</u>						
Education	0	0	0	26,940	0	0
<u>Other Debt Service</u>						
Education	438,348	0	438,348	0	438,348	0
Total Expenditures	\$ 49,133,957	\$ 795,947	\$ 49,929,904	\$ 46,653,832	\$ 49,859,229	\$ (70,675)
Excess (Deficiency) of Revenues Over Expenditures	\$ (844,188)	\$ (795,947)	\$ (1,640,135)	\$ (656,545)	\$ (1,529,489)	\$ (110,646)

(Continued)



Exhibit I-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0
Insurance Recovery	193,143	0	193,143	75,000	118,542	74,601
Transfers In	0	0	0	20,000	20,000	(20,000)
Transfers Out	(1,013,147)	0	(1,013,147)	0	(1,013,147)	0
Total Other Financing Sources	\$ (820,004)	\$ 0	\$ (820,004)	\$ 145,000	\$ (874,605)	\$ 54,601
Net Change in Fund Balance	\$ (1,664,192)	\$ (795,947)	\$ (2,460,139)	\$ (511,545)	\$ (2,404,094)	\$ (56,045)
Fund Balance, July 1, 2015	8,951,545	0	8,951,545	5,256,170	5,256,170	3,695,375
Fund Balance, June 30, 2016	\$ 7,287,353	\$ (795,947)	\$ 6,491,406	\$ 4,744,625	\$ 2,852,076	\$ 3,639,330

## Exhibit I-9

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Cheatham County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,621,246	\$ 2,497,353	\$ 2,923,688	\$ (302,442)
Total Revenues	<u>\$ 2,621,246</u>	<u>\$ 2,497,353</u>	<u>\$ 2,923,688</u>	<u>\$ (302,442)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 304,690	\$ 275,177	\$ 441,037	\$ 136,347
Special Education Program	957,795	998,907	1,054,290	96,495
Vocational Education Program	68,039	57,800	68,039	0
<u>Support Services</u>				
Other Student Support	451,122	453,020	455,739	4,617
Regular Instruction Program	520,392	414,855	542,921	22,529
Special Education Program	314,965	262,103	320,621	5,656
Vocational Education Program	2,529	4,379	2,529	0
Transportation	16,868	16,521	21,984	5,116
Total Expenditures	<u>\$ 2,636,400</u>	<u>\$ 2,482,762</u>	<u>\$ 2,907,160</u>	<u>\$ 270,760</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,154)</u>	<u>\$ 14,591</u>	<u>\$ 16,528</u>	<u>\$ (31,682)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (14,591)	\$ (16,526)	\$ 16,526
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (14,591)</u>	<u>\$ (16,526)</u>	<u>\$ 16,526</u>
Net Change in Fund Balance	\$ (15,154)	\$ 0	\$ 2	\$ (15,156)
Fund Balance, July 1, 2015	<u>163,691</u>	<u>163,691</u>	<u>163,691</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 148,537</u>	<u>\$ 163,691</u>	<u>\$ 163,693</u>	<u>\$ (15,156)</u>

## Exhibit I-10

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Cheatham County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,040,439	\$ 1,489,967	\$ 1,489,967	\$ (449,528)
Other Local Revenues	2,229	7,500	7,500	(5,271)
State of Tennessee	30,759	35,600	35,600	(4,841)
Federal Government	2,148,520	2,253,500	2,253,500	(104,980)
Total Revenues	<u>\$ 3,221,947</u>	<u>\$ 3,786,567</u>	<u>\$ 3,786,567</u>	<u>\$ (564,620)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,247,161	\$ 3,786,567	\$ 3,786,567	\$ 539,406
Total Expenditures	<u>\$ 3,247,161</u>	<u>\$ 3,786,567</u>	<u>\$ 3,786,567</u>	<u>\$ 539,406</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (25,214)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (25,214)</u>
Net Change in Fund Balance	\$ (25,214)	\$ 0	\$ 0	\$ (25,214)
Fund Balance, July 1, 2015	634,363	900,000	900,000	(265,637)
Fund Balance, June 30, 2016	<u>\$ 609,149</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ (290,851)</u>

Exhibit I-11

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,100,936	\$ 0	\$ 1,100,936	\$ 1,120,000	\$ 1,120,000	\$ (19,064)
Total Revenues	\$ 1,100,936	\$ 0	\$ 1,100,936	\$ 1,120,000	\$ 1,120,000	\$ (19,064)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Community Services	\$ 1,124,867	\$ 1,625	\$ 1,126,492	\$ 1,120,000	\$ 1,120,000	\$ (6,492)
Total Expenditures	\$ 1,124,867	\$ 1,625	\$ 1,126,492	\$ 1,120,000	\$ 1,120,000	\$ (6,492)
Excess (Deficiency) of Revenues Over Expenditures	\$ (23,931)	\$ (1,625)	\$ (25,556)	\$ 0	\$ 0	\$ (25,556)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 1,013,147	\$ 0	\$ 1,013,147	\$ 0	\$ 1,013,147	\$ 0
Total Other Financing Sources	\$ 1,013,147	\$ 0	\$ 1,013,147	\$ 0	\$ 1,013,147	\$ 0
Net Change in Fund Balance	\$ 989,216	\$ (1,625)	\$ 987,591	\$ 0	\$ 1,013,147	\$ (25,556)
Fund Balance, July 1, 2015	0	0	0	0	0	0
Fund Balance, June 30, 2016	\$ 989,216	\$ (1,625)	\$ 987,591	\$ 0	\$ 1,013,147	\$ (25,556)

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Cheatham County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-16
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Sewer System	\$ 966,000	3.04 %	8-29-12	8-1-23	\$ 830,000	\$ 0	\$ 72,000	\$ 758,000
Tucker Empson Roof	650,000	4.5625	12-15-12	12-4-15	650,000	0	650,000	0
Waterlines	910,000	2.68	6-19-13	6-1-24	617,812	0	68,812	549,000
Fire Station and Equipment	995,000	2.79	8-29-13	8-1-23	908,000	0	183,000	725,000
EMS Ambulances	210,000	4.056	11-24-15	5-27-16	0	210,000	210,000	0
Total Payable through General Debt Service Fund					<u>\$ 3,005,812</u>	<u>\$ 210,000</u>	<u>\$ 1,183,812</u>	<u>\$ 2,032,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Buses	672,471	4.0	6-29-15	5-27-16	\$ 672,471	\$ 0	\$ 672,471	\$ 0
Old Clarksville Highway/Highway 49 Intersection	244,880	4.056	11-24-15	5-11-16	0	244,880	244,880	0
School HVAC Units	667,600	4.056	11-24-15	5-27-16	0	667,600	667,600	0
Paving Project	511,000	4.0	6-21-16	6-21-19	0	511,000	0	511,000
Paving Project	73,000	4.0	6-21-16	6-21-19	0	73,000	0	73,000
School Buses	699,840	4.0	6-21-16	6-21-19	0	699,840	0	699,840
Total Payable through Education Debt Service Fund					<u>\$ 672,471</u>	<u>\$ 2,196,320</u>	<u>\$ 1,584,951</u>	<u>\$ 1,283,840</u>
Total Notes Payable					<u>\$ 3,678,283</u>	<u>\$ 2,406,320</u>	<u>\$ 2,768,763</u>	<u>\$ 3,315,840</u>

(Continued)

Exhibit J-1

Cheatham County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-16
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
A.O. Smith Property	\$ 2,575,000	Variable	12-22-10	5-25-17	\$ 836,000	\$ 0	\$ 411,000	\$ 425,000
Total Payable through General Debt Service Fund					<u>\$ 836,000</u>	<u>\$ 0</u>	<u>\$ 411,000</u>	<u>\$ 425,000</u>
<u>Payable through Education Debt Service Fund</u>								
Public Works Projects	7,040,703	Variable	11-1-1999	5-25-19	\$ 1,673,486	\$ 0	\$ 493,968	\$ 1,179,518
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	645,439	0	163,407	482,032
<u>Contributions Due by the School Department from the General</u>								
<u>Purpose School Fund to the Education Debt Service Fund</u>								
Energy Efficient Schools Initiative	5,028,918	.75 %	5-31-11	5-1-24	3,779,644	0	411,408	3,368,236
Total Payable through Education Debt Service Fund					<u>\$ 6,098,569</u>	<u>\$ 0</u>	<u>\$ 1,068,783</u>	<u>\$ 5,029,786</u>
Total Other Loans Payable					<u>\$ 6,934,569</u>	<u>\$ 0</u>	<u>\$ 1,479,783</u>	<u>\$ 5,454,786</u>
<u>BONDS PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
Refunding	7,894,500	3.14	4-29-09	6-1-22	\$ 4,394,500	\$ 0	\$ 580,000	\$ 3,814,500
Refunding	4,805,000	1.97	5-30-14	6-1-19	3,925,000	0	920,000	3,005,000
Total Payable through Education Debt Service Fund					<u>\$ 8,319,500</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>	<u>\$ 6,819,500</u>
Total Bonds Payable					<u>\$ 8,319,500</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>	<u>\$ 6,819,500</u>

Exhibit J-2

Cheatham County, Tennessee  
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 251,949	\$ 104,844	\$ 356,793
2018	245,051	100,150	345,201
2019	1,535,840	95,984	1,631,824
2020	258,000	33,845	291,845
2021	266,000	26,440	292,440
2022	274,000	18,822	292,822
2023	281,000	10,977	291,977
2024	204,000	3,100	207,100
Total	\$ 3,315,840	\$ 394,162	\$ 3,710,002

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 1,529,747	\$ 38,577	\$ 12,904	\$ 1,581,228
2018	1,142,379	26,255	7,074	1,175,708
2019	667,320	18,980	2,870	689,170
2020	423,936	14,412	0	438,348
2021	427,128	11,220	0	438,348
2022	430,344	8,004	0	438,348
2023	433,584	4,764	0	438,348
2024	400,348	1,479	0	401,827
Total	\$ 5,454,786	\$ 123,691	\$ 22,848	\$ 5,601,325

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,558,000	\$ 180,637	\$ 1,738,637
2018	1,637,210	142,628	1,779,838
2019	1,768,000	102,580	1,870,580
2020	724,000	59,258	783,258
2021	713,590	36,047	749,637
2022	418,700	13,330	432,030
Total	\$ 6,819,500	\$ 534,480	\$ 7,353,980



Exhibit J-3

Cheatham County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Cheatham County School Department

For the Year Ended June 30, 2016

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Development Tax	\$ 4,933
"	General Capital Projects	To fund projects	155,000
Drug Control	General	DICE Officer Salary Reimbursement	<u>31,161</u>
Total Transfers Primary Government			<u>\$ 191,094</u>
<u>DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Extended School Program	To establish fund	<u>\$ 1,013,147</u>
Total Transfers Discretely Presented Cheatham County School Department			<u>\$ 1,013,147</u>

Exhibit J-4

Cheatham County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 81,153	\$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	77,290	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	116,277 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	70,263	1,600,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263	10,000	Western Surety Company
Director of Accounts and Budgets	County Commission	80,447 (2)	100,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	77,290 (3)	100,000	"
<u>Employee Bonds</u>				
General Employee Blanket Bond			150,000	Local Government Property and Casualty Fund
School Employee Blanket Bond			150,000	Tennessee Risk Management Trust

(1) Includes a \$1,000 CEO supplement and \$80 longevity pay.

(2) Includes \$10,184 for serving as purchasing director.

(3) Does not include a law enforcement training supplement of \$600.

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 9,361,119	\$ 0	\$ 855,730	\$ 0	\$ 0	\$ 0	
Trustee's Collections - Prior Year	194,679	0	19,845	0	0	0	
Circuit Clerk/Clerk and Master Collections - Prior Years	117,948	0	12,423	0	0	0	
Interest and Penalty	110,836	0	10,351	0	0	0	
Pickup Taxes	2,096	0	169	0	0	0	
Payments in-Lieu-of Taxes - Local Utilities	74,859	0	6,970	0	0	0	
Payments in-Lieu-of Taxes - Other	5,787	0	529	0	0	0	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	6,162	0	0	0	0	0	
Hotel/Motel Tax	47,426	0	0	0	0	0	
Wheel Tax	0	0	0	0	0	0	
Litigation Tax - General	97,119	8,278	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	36,560	0	0	0	0	0	
Business Tax	23,880	0	0	0	0	0	
Adequate Facilities/Development Tax	7,400	0	0	0	0	0	
Other County Local Option Taxes	957,708	0	0	0	0	0	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	17,216	0	1,574	0	0	0	
Wholesale Beer Tax	329,947	0	0	0	0	0	
Beer Privilege Tax	1,784	0	0	0	0	0	
Interstate Telecommunications Tax	2,146	0	0	0	0	0	
Total Local Taxes	\$ 11,394,672	\$ 8,278	\$ 907,591	\$ 0	\$ 0	\$ 0	

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 7,851	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	490	0	0	0	0	0
Cable TV Franchise	231,692	0	0	0	0	0
<u>Permits</u>						
Beer Permits	250	0	0	0	0	0
Building Permits	228,892	0	0	0	0	0
Other Permits	9,015	0	0	0	0	0
Total Licenses and Permits	<u>\$ 478,190</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 208,315	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	8,034	0	0	0	0	0
Data Entry Fee - Circuit Court	2,150	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	26,356	0	0	0	0	0
Officers Costs	73,528	0	0	0	0	0
Game and Fish Fines	235	0	0	0	0	0
Jail Fees	34,300	0	0	0	0	0
Judicial Commissioner Fees	107	0	0	0	0	0
DUI Treatment Fines	7,875	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,475	0	0	0	0	0
Courtroom Security Fee	118	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,572	0	0	0	0	0
Data Entry Fee - Juvenile Court	642	0	0	0	0	0

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 1,643	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	5,062	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	0	0	0	27,382	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	25,219	0	0
Data Entry Fee - Other Courts	22	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	13,018	0	0
Other Fines, Forfeitures, and Penalties	4,634	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 386,068</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,619</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,000
Tipping Fees	0	0	150,152	0	0	0
Surcharge - Waste Tire Disposal	0	0	11,882	0	0	0
Patient Charges	870,606	0	0	0	0	0
Other General Service Charges	5,919	0	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	3,591	0	0	0	0	0
Copy Fees	4,284	0	0	0	0	0
Library Fees	6,069	0	0	0	0	0
Archives and Records Management Fee	15,318	0	0	0	0	0
Greenbelt Late Application Fee	450	0	0	0	0	0

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 40,061	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Constitutional Officers' Fees and Commissions	29,911	0	0	0	100	0
Data Processing Fee - Register	16,158	0	0	0	0	0
Probation Fees	43,152	0	0	0	0	0
Data Processing Fee - Sheriff	5,622	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,650	0	0	0	0	0
Data Processing Fee - County Clerk	1,275	0	0	0	0	0
Total Charges for Current Services	\$ 1,050,066	\$ 0	\$ 162,034	\$ 0	\$ 100	\$ 28,000
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 120,360	\$ 0	\$ 23	\$ 0	\$ 0	\$ 0
Lease/Rentals	40,474	0	0	0	0	0
Commissary Sales	3,560	0	0	0	0	0
Sale of Recycled Materials	188	0	19,305	0	0	0
Miscellaneous Refunds	114,073	0	0	0	0	0
Expenditure Credits	23,219	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	3,384	0	0	17,358	0	0
Damages Recovered from Individuals	321	0	0	0	0	0
Contributions and Gifts	20,802	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	9,427	0	0	0	0	0
Total Other Local Revenues	\$ 335,808	\$ 0	\$ 19,328	\$ 17,358	\$ 0	\$ 0

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 412,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	314,280	0	0	0	0	0
Clerk and Master	149,486	0	0	0	0	0
Register	200,620	0	0	0	0	0
Sheriff	24,299	0	0	0	0	0
Trustee	677,971	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,779,572</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	20,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	30,864	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	36,190	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	1,191	0	0	0	0	0
Income Tax	86,821	0	0	0	0	0
Beer Tax	18,488	0	0	0	0	0
Vehicle Certificate of Title Fees	8,381	0	0	0	0	0
Alcoholic Beverage Tax	66,120	0	0	0	0	0
State Revenue Sharing - T.V.A.	256,643	0	23,460	0	0	0

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Emergency Hospital - Prisoners	\$ 40,671	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prisoner Transportation	2,019	0	0	0	0	0
Contracted Prisoner Boarding	365,796	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	1,251	0	0	0	0	0
Total State of Tennessee	<u>\$ 959,399</u>	<u>\$ 0</u>	<u>\$ 23,460</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 32,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	1,500	0	0	0	0	0
Law Enforcement Grants	10,004	0	0	0	0	0
Other Federal through State	24,933	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	24,840	0	0	0	0	0
Total Federal Government	<u>\$ 94,127</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 458,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 458,317</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 16,936,219</u>	<u>\$ 8,278</u>	<u>\$ 1,112,413</u>	<u>\$ 82,977</u>	<u>\$ 100</u>	<u>\$ 28,000</u>

(Continued)



## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 539,330	\$ 323,616	\$ 1,360,561	\$ 57,524	\$ 560,845	\$ 13,058,725
Trustee's Collections - Prior Year	12,500	7,511	31,602	11	8,004	274,152
Circuit Clerk/Clerk and Master Collections - Prior Years	7,526	4,469	15,454	155	5,776	163,751
Interest and Penalty	6,368	3,833	13,811	97	4,853	150,149
Pickup Taxes	107	64	269	11	111	2,827
Payments in-Lieu-of Taxes - Local Utilities	4,378	2,627	10,809	392	4,318	104,353
Payments in-Lieu-of Taxes - Other	333	200	841	36	347	8,073
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	1,809,700	0	0	1,815,862
Hotel/Motel Tax	0	0	0	0	0	47,426
Wheel Tax	430,639	0	1,241,500	0	0	1,672,139
Litigation Tax - General	0	0	0	0	0	105,397
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	36,560
Business Tax	0	243,448	0	0	0	267,328
Adequate Facilities/Development Tax	0	0	35,706	0	0	43,106
Other County Local Option Taxes	0	0	0	0	0	957,708
<u>Statutory Local Taxes</u>						
Bank Excise Tax	992	595	2,502	106	1,032	24,017
Wholesale Beer Tax	0	0	0	0	0	329,947
Beer Privilege Tax	0	0	0	0	0	1,784
Interstate Telecommunications Tax	0	0	0	0	0	2,146
Total Local Taxes	\$ 1,002,173	\$ 586,363	\$ 4,522,755	\$ 58,332	\$ 585,286	\$ 19,065,450

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,851
Animal Vaccination	0	0	0	0	0	490
Cable TV Franchise	0	0	0	0	0	231,692
<u>Permits</u>						
Beer Permits	0	0	0	0	0	250
Building Permits	0	0	0	0	0	228,892
Other Permits	0	0	0	0	0	9,015
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	478,190
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	208,315
Officers Costs	0	0	0	0	0	8,034
Data Entry Fee - Circuit Court	0	0	0	0	0	2,150
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	26,356
Officers Costs	0	0	0	0	0	73,528
Game and Fish Fines	0	0	0	0	0	235
Jail Fees	0	0	0	0	0	34,300
Judicial Commissioner Fees	0	0	0	0	0	107
DUI Treatment Fines	0	0	0	0	0	7,875
Data Entry Fee - General Sessions Court	0	0	0	0	0	11,475
Courtroom Security Fee	0	0	0	0	0	118
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	1,572
Data Entry Fee - Juvenile Court	0	0	0	0	0	642

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	1,643
Data Entry Fee - Chancery Court	0	0	0	0	0		5,062
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	0	0		27,382
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0		25,219
Data Entry Fee - Other Courts	0	0	0	0	0		22
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0		13,018
Other Fines, Forfeitures, and Penalties	0	0	0	0	0		4,634
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	451,687
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	28,000
Tipping Fees	0	0	0	0	0		150,152
Surcharge - Waste Tire Disposal	0	0	0	0	0		11,882
Patient Charges	0	0	0	0	0		870,606
Other General Service Charges	0	0	0	0	0		5,919
<u>Fees</u>							
Engineer Review Fees	0	0	0	0	0		3,591
Copy Fees	0	0	0	0	0		4,284
Library Fees	0	0	0	0	0		6,069
Archives and Records Management Fee	0	0	0	0	0		15,318
Greenbelt Late Application Fee	0	0	0	0	0		450

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,061
Constitutional Officers' Fees and Commissions	0	0	0	0	0	30,011
Data Processing Fee - Register	0	0	0	0	0	16,158
Probation Fees	0	0	0	0	0	43,152
Data Processing Fee - Sheriff	0	0	0	0	0	5,622
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	7,650
Data Processing Fee - County Clerk	0	0	0	0	0	1,275
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,240,200
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 7	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,390
Lease/Rentals	0	0	0	0	0	40,474
Commissary Sales	0	0	0	0	0	3,560
Sale of Recycled Materials	0	0	0	0	0	19,493
Miscellaneous Refunds	19,417	893	0	0	0	134,383
Expenditure Credits	0	0	0	0	0	23,219
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	3,970	24,712
Damages Recovered from Individuals	0	0	0	0	0	321
Contributions and Gifts	0	0	0	0	0	20,802
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	9,427
Total Other Local Revenues	\$ 19,424	\$ 893	\$ 0	\$ 0	\$ 3,970	\$ 396,781

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 412,916
Circuit Court Clerk	0	0	0	0	0	314,280
Clerk and Master	0	0	0	0	0	149,486
Register	0	0	0	0	0	200,620
Sheriff	0	0	0	0	0	24,299
Trustee	0	0	0	0	0	677,971
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,779,572
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,400
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	20,400
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	30,864
<u>Public Works Grants</u>						
State Aid Program	200,098	0	0	0	0	200,098
Litter Program	0	0	0	0	0	36,190
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	1,191
Income Tax	0	0	0	0	0	86,821
Beer Tax	0	0	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	0	0	8,381
Alcoholic Beverage Tax	0	0	0	0	0	66,120
State Revenue Sharing - T.V.A.	14,786	8,872	37,300	1,577	15,377	358,015

(Continued)

## Exhibit J-5

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Emergency Hospital - Prisoners	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,671
Prisoner Transportation	0	0	0	0	0	2,019
Contracted Prisoner Boarding	0	0	0	0	0	365,796
Gasoline and Motor Fuel Tax	1,704,654	0	0	0	0	1,704,654
Petroleum Special Tax	28,216	0	0	0	0	28,216
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	1,251
Total State of Tennessee	\$ 1,947,754	\$ 8,872	\$ 37,300	\$ 1,577	\$ 15,377	\$ 2,993,739
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,850
Homeland Security Grants	0	0	0	0	0	1,500
Law Enforcement Grants	0	0	0	0	0	10,004
Other Federal through State	0	0	0	0	0	24,933
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	0	0	0	0	0	24,840
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,127
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 438,348	\$ 0	\$ 0	\$ 896,665
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 438,348	\$ 0	\$ 0	\$ 896,665
Total	\$ 2,969,351	\$ 596,128	\$ 4,998,403	\$ 59,909	\$ 604,633	\$ 27,396,411

## Exhibit J-6

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,773,584	\$ 0	\$ 0	\$ 0	\$ 7,773,584	
Trustee's Collections - Prior Year	218,045	0	0	0	218,045	
Circuit Clerk/Clerk and Master Collections - Prior Years	123,896	0	0	0	123,896	
Interest and Penalty	102,190	0	0	0	102,190	
Pickup Taxes	1,544	0	0	0	1,544	
Payments in-Lieu-of Taxes - Local Utilities	98,278	0	0	0	98,278	
Payments in-Lieu-of Taxes - Other	8,981	0	0	0	8,981	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,264,073	0	0	0	2,264,073	
Wheel Tax	431,198	0	0	0	431,198	
Mixed Drink Tax	17,998	0	0	0	17,998	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	14,349	0	0	0	14,349	
Interstate Telecommunications Tax	3,442	0	0	0	3,442	
Total Local Taxes	\$ 11,057,578	\$ 0	\$ 0	\$ 0	\$ 11,057,578	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,164	\$ 0	\$ 0	\$ 0	\$ 3,164	
Total Licenses and Permits	\$ 3,164	\$ 0	\$ 0	\$ 0	\$ 3,164	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 2,734	\$ 0	\$ 0	\$ 0	\$ 2,734	

(Continued)

Exhibit J-6

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 607,562	\$ 0	\$ 607,562
Lunch Payments - Adults	0	0	52,968	0	52,968
Income from Breakfast	0	0	68,180	0	68,180
A la Carte Sales	0	0	275,314	0	275,314
Receipts from Individual Schools	108,809	0	0	0	108,809
Community Service Fees - Children	0	0	0	1,100,936	1,100,936
Other Charges for Services	0	0	36,415	0	36,415
Total Charges for Current Services	\$ 111,543	\$ 0	\$ 1,040,439	\$ 1,100,936	\$ 2,252,918
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 199	\$ 0	\$ 264	\$ 0	\$ 463
E-Rate Funding	40,527	0	0	0	40,527
Miscellaneous Refunds	27,082	0	1,918	0	29,000
Expenditure Credits	0	0	47	0	47
<u>Nonrecurring Items</u>					
Sale of Equipment	4	0	0	0	4
Damages Recovered from Individuals	380	0	0	0	380
Contributions and Gifts	20,551	0	0	0	20,551
<u>Other Local Revenues</u>					
Other Local Revenues	19,482	0	0	0	19,482
Total Other Local Revenues	\$ 108,225	\$ 0	\$ 2,229	\$ 0	\$ 110,454

(Continued)



## Exhibit J-6

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 167,990	\$ 0	\$ 0	\$ 0	\$ 167,990
<u>State Education Funds</u>					
Basic Education Program	32,705,062	0	0	0	32,705,062
Early Childhood Education	498,871	0	0	0	498,871
School Food Service	0	0	30,759	0	30,759
Career Ladder Program	100,536	0	0	0	100,536
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	213,902	0	0	0	213,902
Other State Grants	145,788	0	0	0	145,788
Other State Revenues	2,468	0	0	0	2,468
Total State of Tennessee	\$ 33,834,617	\$ 0	\$ 30,759	\$ 0	\$ 33,865,376
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,381,250	\$ 0	\$ 1,381,250
USDA - Commodities	0	0	173,529	0	173,529
Breakfast	0	0	512,518	0	512,518
USDA - Other	0	0	81,223	0	81,223
Vocational Education - Basic Grants to States	0	81,138	0	0	81,138
Title I Grants to Local Education Agencies	0	980,726	0	0	980,726
Special Education - Grants to States	140,302	1,256,161	0	0	1,396,463
Special Education Preschool Grants	0	33,462	0	0	33,462
Eisenhower Professional Development State Grants	0	269,759	0	0	269,759
Other Federal through State	208,687	0	0	0	208,687

(Continued)

Exhibit J-6

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 874,213	\$ 0	\$ 0	\$ 0	\$ 874,213
Total Federal Government	\$ 1,223,202	\$ 2,621,246	\$ 2,148,520	\$ 0	\$ 5,992,968
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,951,440	\$ 0	\$ 0	\$ 0	\$ 1,951,440
Total Other Governments and Citizens Groups	\$ 1,951,440	\$ 0	\$ 0	\$ 0	\$ 1,951,440
Total	\$ 48,289,769	\$ 2,621,246	\$ 3,221,947	\$ 1,100,936	\$ 55,233,898

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

General FundGeneral GovernmentCounty Commission

Other Salaries and Wages	\$ 8,536	
Board and Committee Members Fees	64,922	
Social Security	5,430	
Audit Services	11,732	
Dues and Memberships	1,550	
Legal Services	21,603	
Other Supplies and Materials	105	
Total County Commission		\$ 113,878

County Mayor/Executive

County Official/Administrative Officer	\$ 81,153	
Secretary(ies)	42,042	
In-service Training	355	
Social Security	9,116	
Pensions	7,145	
Communication	7,727	
Consultants	234	
Dues and Memberships	12,729	
Legal Services	13,980	
Maintenance and Repair Services - Office Equipment	725	
Travel	738	
Gasoline	243	
Office Supplies	1,314	
Other Charges	2,924	
Office Equipment	2,488	
Total County Mayor/Executive		182,913

Personnel Office

Supervisor/Director	\$ 59,676	
Social Security	4,565	
Pensions	3,461	
Contracts with Private Agencies	4,185	
Office Supplies	227	
Office Equipment	368	
Total Personnel Office		72,482

Election Commission

County Official/Administrative Officer	\$ 63,237	
Attendants	60,522	
Board and Committee Members Fees	2,970	
Election Workers	12,571	
In-service Training	975	
Other Per Diem and Fees	410	
Social Security	9,427	
Pensions	7,178	
Advertising	5,648	
Communication	2,379	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Dues and Memberships	\$ 150	
Maintenance and Repair Services - Equipment	11,685	
Printing, Stationery, and Forms	2,450	
Travel	272	
Office Supplies	2,975	
Data Processing Equipment	54	
Office Equipment	2,650	
Total Election Commission		\$ 185,553

Register of Deeds

County Official/Administrative Officer	\$ 70,263	
Deputy(ies)	54,331	
Part-time Personnel	9,803	
In-service Training	255	
Social Security	10,073	
Pensions	6,459	
Communication	1,442	
Data Processing Services	20,339	
Dues and Memberships	700	
Legal Services	350	
Maintenance and Repair Services - Office Equipment	702	
Travel	835	
Office Supplies	1,159	
Office Equipment	914	
Total Register of Deeds		177,625

Building

County Official/Administrative Officer	\$ 52,287	
Investigator(s)	55,397	
Secretary(ies)	35,373	
Board and Committee Members Fees	1,575	
In-service Training	415	
Social Security	10,801	
Pensions	7,565	
Communication	3,835	
Consultants	17,132	
Data Processing Services	8,915	
Dues and Memberships	655	
Engineering Services	405	
Legal Services	10,999	
Maintenance and Repair Services - Equipment	3,098	
Maintenance and Repair Services - Vehicles	1,599	
Printing, Stationery, and Forms	1,102	
Other Contracted Services	8,920	
Gasoline	1,982	
Library Books/Media	373	
Office Supplies	1,293	
Office Equipment	2,727	
Total Building		226,448

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings

Assistant(s)	\$ 27,151	
Supervisor/Director	44,760	
Custodial Personnel	45,595	
Maintenance Personnel	24,356	
In-service Training	1,797	
Social Security	10,406	
Pensions	8,015	
Maintenance and Repair Services - Buildings	125,672	
Maintenance and Repair Services - Office Equipment	1,286	
Maintenance and Repair Services - Vehicles	6,684	
Pest Control	3,892	
Custodial Supplies	15,294	
Electricity	184,826	
Fertilizer, Lime, and Seed	10,606	
Gasoline	3,544	
Natural Gas	24,465	
Propane Gas	5,833	
Tires and Tubes	658	
Water and Sewer	96,597	
Other Supplies and Materials	2,649	
Heating and Air Conditioning Equipment	5,692	
Maintenance Equipment	2,622	
Other Equipment	2,671	
Total County Buildings		\$ 655,071

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$ 70,263	
Assistant(s)	59,596	
Data Processing Personnel	31,937	
Salary Supplements	10,184	
Clerical Personnel	38,884	
In-service Training	1,315	
Social Security	15,860	
Pensions	12,230	
Advertising	17,451	
Data Processing Services	10,240	
Dues and Memberships	25	
Maintenance and Repair Services - Equipment	1,769	
Postal Charges	41,452	
Printing, Stationery, and Forms	2,281	
Travel	3,109	
Office Supplies	4,576	
Building Improvements	1,596	
Office Equipment	13,142	
Total Accounting and Budgeting		335,910

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		44,080	
Assessment Personnel		81,180	
Part-time Personnel		11,068	
Board and Committee Members Fees		5,040	
Social Security		14,916	
Pensions		11,340	
Communication		1,545	
Contracts with Private Agencies		7,270	
Data Processing Services		19,957	
Dues and Memberships		1,050	
Maintenance and Repair Services - Office Equipment		161	
Maintenance and Repair Services - Vehicles		430	
Printing, Stationery, and Forms		138	
Gasoline		1,121	
Office Supplies		256	
Motor Vehicles		24,288	
Office Equipment		190	
Total Property Assessor's Office			\$ 294,293

Reappraisal Program

Deputy(ies)	\$	24,736	
Social Security		1,892	
Pensions		1,435	
Total Reappraisal Program			28,063

County Trustee's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		107,467	
Part-time Personnel		9,581	
In-service Training		375	
Social Security		13,197	
Pensions		10,308	
Communication		1,932	
Data Processing Services		10,042	
Dues and Memberships		1,050	
Legal Services		1,000	
Maintenance and Repair Services - Office Equipment		72	
Printing, Stationery, and Forms		12,452	
Travel		2,144	
Office Supplies		3,322	
Office Equipment		14,846	
Total County Trustee's Office			258,051

County Clerk's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		214,332	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Part-time Personnel	\$ 31,743	
Other Salaries and Wages	11,000	
In-service Training	475	
Social Security	23,473	
Pensions	16,506	
Communication	6,221	
Data Processing Services	41,071	
Dues and Memberships	915	
Maintenance and Repair Services - Office Equipment	1,884	
Printing, Stationery, and Forms	3,960	
Travel	2,395	
Office Supplies	9,682	
Office Equipment	2,375	
Total County Clerk's Office		\$ 436,295

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$ 70,263	
Deputy(ies)	304,735	
Part-time Personnel	385	
Jury and Witness Expense	5,260	
Social Security	27,934	
Pensions	18,602	
Communication	2,085	
Contracts with Government Agencies	3,000	
Data Processing Services	15,965	
Dues and Memberships	575	
Maintenance and Repair Services - Buildings	3,902	
Maintenance and Repair Services - Office Equipment	2,260	
Office Supplies	7,270	
Office Equipment	16,755	
Total Circuit Court		478,991

General Sessions Court

Judge(s)	\$ 104,404	
Salary Supplements	17,695	
Social Security	8,093	
Pensions	6,143	
Dues and Memberships	970	
Legal Services	500	
Travel	250	
Library Books/Media	240	
Total General Sessions Court		138,295

Chancery Court

County Official/Administrative Officer	\$ 70,263
Deputy(ies)	134,868

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Social Security	\$ 14,920	
Pensions	11,897	
Communication	1,736	
Data Processing Services	8,080	
Dues and Memberships	885	
Legal Notices, Recording, and Court Costs	35	
Maintenance and Repair Services - Office Equipment	578	
Office Supplies	4,285	
Furniture and Fixtures	500	
Office Equipment	295	
Total Chancery Court		\$ 248,342

Juvenile Court

Judge(s)	\$ 48,838	
Probation Officer(s)	108,878	
Social Workers	52,137	
Salary Supplements	17,695	
Secretary(ies)	31,078	
Other Salaries and Wages	8,210	
Social Security	19,505	
Pensions	13,548	
Communication	5,129	
Contracts with Government Agencies	1,663	
Data Processing Services	4,152	
Dues and Memberships	805	
Maintenance and Repair Services - Office Equipment	896	
Maintenance and Repair Services - Vehicles	438	
Travel	3,151	
Drugs and Medical Supplies	397	
Gasoline	563	
Library Books/Media	46	
Office Supplies	2,342	
Total Juvenile Court		319,471

District Attorney General

Contributions	\$ 18,000	
Total District Attorney General		18,000

Probation Services

Probation Officer(s)	\$ 87,012	
Attendants	20,728	
In-service Training	780	
Social Security	8,178	
Pensions	5,263	
Communication	2,048	
Maintenance and Repair Services - Office Equipment	650	
Printing, Stationery, and Forms	1,337	

(Continued)



## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Probation Services (Cont.)

Travel	\$	2,766	
Remittance of Revenue Collected		2,623	
Drugs and Medical Supplies		3,561	
Office Supplies		1,282	
Total Probation Services			\$ 136,228

Courtroom Security

Guards	\$	39,522	
Part-time Personnel		62,280	
In-service Training		400	
Social Security		5,678	
Pensions		616	
Maintenance and Repair Services - Buildings		1,200	
Maintenance and Repair Services - Office Equipment		262	
Uniforms		1,320	
Law Enforcement Equipment		2,996	
Total Courtroom Security			114,274

Public SafetySheriff's Department

County Official/Administrative Officer	\$	77,290	
Assistant(s)		37,153	
Supervisor/Director		61,408	
Deputy(ies)		820,505	
Detective(s)		50,714	
Investigator(s)		136,913	
Lieutenant(s)		38,920	
Sergeant(s)		297,194	
Clerical Personnel		88,143	
School Resource Officer		125,849	
Other Salaries and Wages		66,096	
In-service Training		12,926	
Social Security		135,534	
Pensions		97,897	
Communication		38,944	
Dues and Memberships		2,975	
Legal Services		11,998	
Maintenance and Repair Services - Equipment		4,781	
Maintenance and Repair Services - Office Equipment		36,519	
Maintenance and Repair Services - Vehicles		47,967	
Travel		10,420	
Gasoline		99,375	
Instructional Supplies and Materials		4,588	
Law Enforcement Supplies		23,236	
Office Supplies		16,087	
Tires and Tubes		17,856	
Uniforms		47,734	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Other Supplies and Materials	\$ 21,139	
Liability Insurance	57,080	
Vehicle and Equipment Insurance	16,000	
Workers' Compensation Insurance	31,545	
Other Charges	10,162	
Communication Equipment	1,575	
Data Processing Equipment	25	
Law Enforcement Equipment	80,880	
Office Equipment	34,946	
Total Sheriff's Department		\$ 2,662,374

Jail

Supervisor/Director	\$ 52,745	
Sergeant(s)	256,412	
Foremen	57,833	
Guards	689,237	
Clerical Personnel	30,218	
Social Security	80,265	
Pensions	48,798	
Communication	964	
Consultants	12,250	
Maintenance and Repair Services - Buildings	64,500	
Maintenance and Repair Services - Equipment	1,491	
Medical and Dental Services	421,353	
Custodial Supplies	27,355	
Food Supplies	113,553	
Law Enforcement Supplies	3,630	
Prisoners Clothing	17,796	
Uniforms	7,713	
Other Supplies and Materials	2,067	
Building Improvements	43,339	
Communication Equipment	123	
Food Service Equipment	1,087	
Office Equipment	16,651	
Other Equipment	47,467	
Total Jail		1,996,847

Rural Fire Protection

Remittance of Revenue Collected	\$ 846,304	
Total Rural Fire Protection		846,304

Other Emergency Management

Assistant(s)	\$ 44,080	
Supervisor/Director	49,279	
Salary Supplements	6,000	
In-service Training	445	
Social Security	7,519	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Pensions	\$ 5,763	
Communication	5,581	
Contracts with Government Agencies	3,500	
Contracts with Private Agencies	48,574	
Maintenance and Repair Services - Equipment	351	
Maintenance and Repair Services - Vehicles	2,764	
Travel	839	
Gasoline	3,191	
Instructional Supplies and Materials	15	
Office Supplies	786	
Other Supplies and Materials	3,403	
Other Charges	1,746	
Communication Equipment	1,407	
Other Equipment	4,147	
Total Other Emergency Management		\$ 189,390

County Coroner/Medical Examiner

County Official/Administrative Officer	\$ 61,525	
Total County Coroner/Medical Examiner		61,525

Other Public Safety

Assistant(s)	\$ 44,403	
Supervisor/Director	54,642	
Dispatchers/Radio Operators	403,349	
Part-time Personnel	539	
Social Security	37,242	
Pensions	23,977	
Total Other Public Safety		564,152

Public Health and WelfareLocal Health Center

Clerical Personnel	\$ 13,337	
Social Security	1,020	
Communication	2,800	
Dues and Memberships	200	
Janitorial Services	9,900	
Travel	497	
Custodial Supplies	564	
Drugs and Medical Supplies	14	
Office Supplies	536	
Other Supplies and Materials	373	
Other Charges	23,860	
Site Development	7,311	
Total Local Health Center		60,412

Rabies and Animal Control

Supervisor/Director	\$ 42,430	
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(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control (Cont.)

Deputy(ies)	\$ 52,574	
Attendants	27,248	
In-service Training	227	
Social Security	8,991	
Pensions	5,072	
Communication	5,214	
Licenses	695	
Maintenance and Repair Services - Equipment	363	
Maintenance and Repair Services - Office Equipment	1,189	
Maintenance and Repair Services - Vehicles	9,105	
Medical and Dental Services	3,550	
Printing, Stationery, and Forms	758	
Veterinary Services	2,934	
Animal Food and Supplies	5,537	
Custodial Supplies	8,286	
Drugs and Medical Supplies	15,561	
Gasoline	6,096	
Office Supplies	1,471	
Uniforms	4,315	
Other Supplies and Materials	518	
Other Charges	13,533	
Motor Vehicles	7,750	
Office Equipment	1,887	
Other Equipment	11,671	
Total Rabies and Animal Control		\$ 236,975

Ambulance/Emergency Medical Services

Assistant(s)	\$ 64,325
Supervisor/Director	58,461
Salary Supplements	11,600
Clerical Personnel	29,589
Attendants	1,273,187
Part-time Personnel	77,720
In-service Training	9,657
Social Security	111,818
Pensions	71,714
Communication	13,140
Consultants	2,588
Contracts with Private Agencies	375
Dues and Memberships	340
Licenses	2,537
Maintenance and Repair Services - Equipment	11,938
Maintenance and Repair Services - Office Equipment	625
Maintenance and Repair Services - Vehicles	58,290
Rentals	16,812
Travel	1,870
Remittance of Revenue Collected	59,888

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Disposal Fees	\$ 3,866	
Drugs and Medical Supplies	172,724	
Gasoline	33,524	
Office Supplies	3,211	
Tires and Tubes	9,144	
Uniforms	32,346	
Other Supplies and Materials	8,673	
Liability Insurance	2,800	
Vehicle and Equipment Insurance	7,600	
Workers' Compensation Insurance	37,527	
Communication Equipment	1,100	
Furniture and Fixtures	17,882	
Office Equipment	3,486	
Total Ambulance/Emergency Medical Services		\$ 2,210,357

Other Local Health Services

Secretary(ies)	\$ 33,687	
Social Security	2,525	
Pensions	1,954	
Communication	18	
Total Other Local Health Services		38,184

General Welfare Assistance

Contracts with Government Agencies	\$ 33,120	
Total General Welfare Assistance		33,120

Sanitation Education/Information

Foremen	\$ 24,825	
Social Security	1,809	
Pensions	1,440	
Maintenance and Repair Services - Vehicles	2,473	
Gasoline	2,390	
Instructional Supplies and Materials	7,300	
Other Supplies and Materials	634	
Total Sanitation Education/Information		40,871

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Matching Share	\$ 91,906	
Total Senior Citizens Assistance		91,906

Libraries

Assistant(s)	\$ 19,784	
Supervisor/Director	72,949	
Part-time Personnel	85,986	
In-service Training	180	
Social Security	13,422	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Pensions	\$ 4,486	
Communication	6,320	
Dues and Memberships	922	
Maintenance and Repair Services - Equipment	1,000	
Travel	1,594	
Library Books/Media	24,704	
Office Supplies	7,381	
Office Equipment	9,605	
Total Libraries		\$ 248,333

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$ 31,635	
Educational Assistants	8,660	
Part-time Personnel	144	
Board and Committee Members Fees	100	
In-service Training	420	
Social Security	3,038	
Pensions	5,134	
Communication	2,720	
Travel	1,867	
Office Supplies	2,117	
Office Equipment	7,237	
Total Agricultural Extension Service		63,072

Soil Conservation

Secretary(ies)	\$ 33,687	
In-service Training	135	
Social Security	2,282	
Pensions	1,954	
Dues and Memberships	525	
Travel	3,270	
Other Contracted Services	785	
Office Supplies	125	
Uniforms	154	
Total Soil Conservation		42,917

Other OperationsOther Economic and Community Development

Supervisor/Director	\$ 58,721	
Social Security	4,492	
Pensions	3,406	
Total Other Economic and Community Development		66,619

Veterans' Services

Supervisor/Director	\$ 18,335	
Deputy(ies)	9,300	

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Part-time Personnel	\$ 25,856	
Social Security	4,092	
Communication	2,209	
Data Processing Services	1,656	
Dues and Memberships	75	
Maintenance and Repair Services - Office Equipment	212	
Printing, Stationery, and Forms	325	
Travel	680	
Office Supplies	2,109	
Office Equipment	561	
Total Veterans' Services		\$ 65,410

Other Charges

Trustee's Commission	\$ 249,731	
Total Other Charges		249,731

Contributions to Other Agencies

Contributions	\$ 361,916	
Total Contributions to Other Agencies		361,916

Employee Benefits

Life Insurance	\$ 11,556	
Medical Insurance	1,389,725	
Total Employee Benefits		1,401,281

Miscellaneous

Longevity Pay	\$ 108,231	
Disability Insurance	24,299	
Unemployment Compensation	3,000	
Boiler Insurance	1,500	
Building and Contents Insurance	55,326	
Liability Insurance	53,425	
Premiums on Corporate Surety Bonds	7,353	
Vehicle and Equipment Insurance	21,623	
Workers' Compensation Insurance	50,259	
Total Miscellaneous		325,016

Capital ProjectsPublic Safety Projects

Building Construction	\$ 79,226	
Motor Vehicles	56,500	
Other Equipment	312,178	
Total Public Safety Projects		447,904

Highway and Street Capital Projects

Contracts with Government Agencies	\$ 10,857	
Total Highway and Street Capital Projects		10,857

Total General Fund \$ 16,735,656

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Building Improvements	\$ 11,019	
Total County Buildings		\$ 11,019

Other General Administration

Trustee's Commission	\$ 83	
Total Other General Administration		83

Total Courthouse and Jail Maintenance Fund		\$ 11,102
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Solid Waste/Sanitation FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 20,070	
Total Other General Administration		\$ 20,070

Public Health and WelfareSanitation Management

Assistant(s)	\$ 33,493	
Supervisor/Director	52,038	
Equipment Operators	37,148	
Truck Drivers	56,957	
Social Security	13,326	
Pensions	9,416	
Advertising	159	
Communication	2,874	
Dues and Memberships	100	
Licenses	1,500	
Electricity	4,859	
Office Supplies	2,808	
Water and Sewer	2,938	
Premiums on Corporate Surety Bonds	75	
Vehicle and Equipment Insurance	7,300	
Workers' Compensation Insurance	10,152	
Total Sanitation Management		235,143

Convenience Centers

Laborers	\$ 126,292	
In-service Training	512	
Social Security	9,662	
Communication	5,107	
Contracts with Government Agencies	403,705	
Contracts with Private Agencies	13,188	
Maintenance and Repair Services - Equipment	617	
Rentals	2,700	
Travel	562	
Diesel Fuel	16,723	
Electricity	5,723	

(Continued)



## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Convenience Centers (Cont.)

Equipment and Machinery Parts	\$ 4,707	
Lubricants	335	
Tires and Tubes	1,680	
Other Equipment	559	
Total Convenience Centers		\$ 592,072

Landfill Operation and Maintenance

Contracts with Private Agencies	\$ 368	
Evaluation and Testing	17,997	
Maintenance Agreements	544	
Maintenance and Repair Services - Equipment	6,645	
Equipment and Machinery Parts	350	
Other Supplies and Materials	1,547	
Other Equipment	523	
Total Landfill Operation and Maintenance		27,974

Other OperationsEmployee Benefits

Life Insurance	\$ 247	
Medical Insurance	46,053	
Disability Insurance	560	
Total Employee Benefits		46,860

Total Solid Waste/Sanitation Fund \$ 922,119

Drug Control FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 792	
Total Other General Administration		\$ 792

Public SafetySpecial Patrols

In-service Training	\$ 2,101	
Communication	4,179	
Maintenance and Repair Services - Vehicles	2,586	
Travel	4,829	
Gasoline	5,554	
Tires and Tubes	1,191	
Uniforms	2,237	
Other Supplies and Materials	3,912	
Transfers to Other Funds	392	
Law Enforcement Equipment	16,559	
Motor Vehicles	11,110	
Office Equipment	200	
Total Special Patrols		54,850

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement

Confidential Drug Enforcement Payments	\$ 30,000	
Legal Services	281	
Maintenance and Repair Services - Equipment	1,721	
Veterinary Services	1,448	
Animal Food and Supplies	1,136	
Law Enforcement Supplies	795	
Other Supplies and Materials	4,521	
Law Enforcement Equipment	6,553	
Motor Vehicles	38,500	
Office Equipment	1,039	
Total Drug Enforcement		\$ 85,994

Total Drug Control Fund \$ 141,636

Constitutional Officers - Fees FundPublic SafetySheriff's Department

Constitutional Officers' Operating Expenses	\$ 100	
Total Sheriff's Department		\$ 100

Total Constitutional Officers - Fees Fund 100

Unemployment Compensation FundGeneral GovernmentOther General Administration

Unemployment Compensation	\$ 26,469	
Total Other General Administration		\$ 26,469

Total Unemployment Compensation Fund 26,469

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 77,290	
Assistant(s)	40,039	
Clerical Personnel	52,249	
Advertising	219	
Contracts with Private Agencies	5,801	
Data Processing Services	122	
Dues and Memberships	2,980	
Licenses	37	
Printing, Stationery, and Forms	31	
Travel	2,354	
Office Supplies	382	
Other Supplies and Materials	805	
Office Equipment	408	
Total Administration		\$ 182,717

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance

Foremen	\$ 222,020	
Equipment Operators - Heavy	490,313	
Truck Drivers	194,818	
Laborers	40,433	
Overtime Pay	5,043	
Other Contracted Services	265,727	
Asphalt - Cold Mix	13,914	
Asphalt - Hot Mix	433,297	
Asphalt - Liquid	112,335	
Crushed Stone	30,044	
Pipe - Metal	12,828	
Road Signs	5,690	
Salt	25,145	
Fencing	100	
Other Supplies and Materials	2,543	
Total Highway and Bridge Maintenance		\$ 1,854,250

Operation and Maintenance of Equipment

Foremen	\$ 56,496	
Mechanic(s)	103,046	
Overtime Pay	1,036	
Rentals	1,388	
Diesel Fuel	37,195	
Equipment Parts - Light	21,057	
Equipment and Machinery Parts	57,183	
Garage Supplies	4,115	
Gasoline	19,012	
Lubricants	679	
Propane Gas	967	
Small Tools	287	
Tires and Tubes	15,730	
Uniforms	10,429	
Total Operation and Maintenance of Equipment		328,620

Other Charges

Communication	\$ 4,503	
Maintenance and Repair Services - Equipment	99	
Maintenance and Repair Services - Office Equipment	99	
Electricity	14,541	
Natural Gas	1,515	
Water and Sewer	162	
Premiums on Corporate Surety Bonds	525	
Trustee's Commission	33,090	
Vehicle and Equipment Insurance	38,126	
Workers' Compensation Insurance	34,000	
Total Other Charges		126,660

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Employee Benefits

Longevity Pay	\$ 29,500	
Social Security	96,290	
Pensions	68,472	
Life Insurance	1,491	
Medical Insurance	210,725	
Disability Insurance	4,292	
Total Employee Benefits		\$ 410,770

Capital Outlay

Highway Equipment	\$ 113,077	
Other Equipment	10,500	
Total Capital Outlay		123,577

Total Highway/Public Works Fund \$ 3,026,594

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 9,383	
Total Other General Administration		\$ 9,383

Principal on DebtGeneral Government

Principal on Notes	\$ 1,183,812	
Principal on Other Loans	411,000	
Total General Government		1,594,812

Interest on DebtGeneral Government

Interest on Notes	\$ 99,511	
Interest on Other Loans	7,720	
Total General Government		107,231

Other Debt ServiceGeneral Government

Other Debt Service	\$ 2,505	
Total General Government		2,505

Total General Debt Service Fund 1,713,931

Education Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 59,831	
Total Other General Administration		\$ 59,831

(Continued)

## Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Education Debt Service Fund (Cont.)Principal on DebtEducation

Principal on Bonds	\$ 1,500,000	
Principal on Notes	1,584,951	
Principal on Other Loans	<u>1,068,783</u>	
Total Education		\$ 4,153,734

Interest on DebtEducation

Interest on Bonds	\$ 217,609	
Interest on Notes	44,519	
Interest on Other Loans	<u>33,798</u>	
Total Education		295,926

Other Debt ServiceEducation

Other Debt Service	\$ 14,765	
Total Education		<u>14,765</u>

Total Education Debt Service Fund \$ 4,524,256

General Capital Projects FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 1,168	
Total Other General Administration		\$ 1,168

Capital ProjectsOther General Government Projects

Consultants	\$ 1,000	
Building Improvements	<u>85,680</u>	
Total Other General Government Projects		<u>86,680</u>

Total General Capital Projects Fund 87,848

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Contributions	\$ 1,951,440	
Total Education Capital Projects		<u>\$ 1,951,440</u>

Total Education Capital Projects Fund 1,951,440

Other Capital Projects FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 11,759	
Total Other General Administration		\$ 11,759

(Continued)

Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

<u>Other Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Motor Vehicles	\$	717,460	
Total Other General Government Projects			\$ 717,460
Total Other Capital Projects Fund			\$ 729,219
Total Governmental Funds - Primary Government			\$ 29,870,370

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2016

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 15,565,512	
Career Ladder Program	61,000	
Career Ladder Extended Contracts	118,458	
Salary Supplements	344,721	
Educational Assistants	845,764	
Certified Substitute Teachers	30,225	
Non-certified Substitute Teachers	46,962	
Social Security	997,113	
Pensions	1,491,597	
Life Insurance	10,892	
Medical Insurance	2,612,357	
Dental Insurance	63,504	
Disability Insurance	56,764	
Employer Medicare	233,507	
Other Fringe Benefits	13,994	
Licenses	244,792	
Tuition	8,353	
Other Contracted Services	846,882	
Data Processing Supplies	42,465	
Instructional Supplies and Materials	215,245	
Textbooks	236,614	
Other Supplies and Materials	4,951	
In Service/Staff Development	4,901	
Fee Waivers	149,288	
Other Charges	8,797	
Regular Instruction Equipment	1,046,486	
Total Regular Instruction Program		\$ 25,301,144

Alternative Instruction Program

Teachers	\$ 299,216	
Career Ladder Program	1,000	
Educational Assistants	58,212	
Social Security	21,648	
Pensions	28,029	
Medical Insurance	51,155	
Dental Insurance	1,506	
Employer Medicare	5,063	
Other Fringe Benefits	357	
Other Supplies and Materials	283	
Total Alternative Instruction Program		466,469

Special Education Program

Teachers	\$ 1,912,425	
Career Ladder Program	7,000	
Educational Assistants	434,433	
Speech Pathologist	396,907	

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Certified Substitute Teachers	\$	525	
Non-certified Substitute Teachers		6,567	
Social Security		158,584	
Pensions		223,861	
Medical Insurance		406,643	
Dental Insurance		11,116	
Employer Medicare		38,100	
Other Fringe Benefits		2,651	
Contracts with Private Agencies		35,852	
Licenses		4,136	
Maintenance and Repair Services - Equipment		129	
Other Contracted Services		25,467	
Instructional Supplies and Materials		1,935	
Other Supplies and Materials		2,385	
Special Education Equipment		17,875	
Total Special Education Program			\$ 3,686,591

Vocational Education Program

Teachers	\$	845,895	
Certified Substitute Teachers		300	
Non-certified Substitute Teachers		3,250	
Social Security		49,731	
Pensions		73,905	
Medical Insurance		109,055	
Dental Insurance		2,714	
Employer Medicare		11,695	
Other Fringe Benefits		573	
Instructional Supplies and Materials		6,861	
Other Supplies and Materials		149	
Total Vocational Education Program			1,104,128

Support ServicesAttendance

Supervisor/Director	\$	36,409	
Career Ladder Program		500	
Secretary(ies)		9,785	
Social Security		2,759	
Pensions		3,904	
Medical Insurance		7,759	
Employer Medicare		645	
In Service/Staff Development		1,563	
Total Attendance			63,324

Health Services

Supervisor/Director	\$	59,461	
Medical Personnel		219,098	

(Continued)



## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Social Security	\$	15,457	
Pensions		16,054	
Medical Insurance		48,401	
Dental Insurance		711	
Employer Medicare		3,615	
Other Fringe Benefits		214	
Communication		600	
Travel		5,684	
Other Contracted Services		870,320	
Drugs and Medical Supplies		1,649	
Other Supplies and Materials		43,564	
In Service/Staff Development		1,158	
Health Equipment		21,825	
Total Health Services			\$ 1,307,811

Other Student Support

Career Ladder Program	\$	1,600	
Guidance Personnel		897,905	
Social Security		50,695	
Pensions		78,188	
Medical Insurance		117,394	
Employer Medicare		12,323	
Contracts with Government Agencies		160,000	
Other Supplies and Materials		12,763	
In Service/Staff Development		10,000	
Other Charges		306	
Furniture and Fixtures		4,433	
Total Other Student Support			1,345,607

Regular Instruction Program

Supervisor/Director	\$	191,060	
Career Ladder Program		5,300	
Librarians		534,097	
Materials Supervisor		20,920	
Secretary(ies)		142,772	
Other Salaries and Wages		253,310	
Social Security		67,584	
Pensions		88,689	
Medical Insurance		165,295	
Dental Insurance		2,836	
Employer Medicare		15,806	
Other Fringe Benefits		659	
Dues and Memberships		50	
Licenses		8,954	
Travel		17,470	
Other Contracted Services		7,745	

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Data Processing Supplies	\$ 9,755	
Library Books/Media	35,711	
Other Supplies and Materials	1,092	
In Service/Staff Development	12,479	
Regular Instruction Equipment	11,156	
Total Regular Instruction Program		\$ 1,592,740

Alternative Instruction Program

Supervisor/Director	\$ 41,264	
Career Ladder Program	500	
Clerical Personnel	9,785	
Social Security	3,057	
Pensions	4,343	
Medical Insurance	7,717	
Employer Medicare	715	
Total Alternative Instruction Program		67,381

Special Education Program

Supervisor/Director	\$ 75,014	
Psychological Personnel	217,087	
Secretary(ies)	36,233	
Educational Assistants	9,065	
Other Salaries and Wages	61,593	
Social Security	23,812	
Pensions	29,055	
Medical Insurance	46,029	
Employer Medicare	5,569	
Travel	11,269	
Other Contracted Services	14,522	
Data Processing Supplies	2,454	
Other Supplies and Materials	2,292	
In Service/Staff Development	1,867	
Total Special Education Program		535,861

Vocational Education Program

Supervisor/Director	\$ 65,095	
Social Security	4,034	
Pensions	5,885	
Medical Insurance	3,514	
Employer Medicare	943	
Other Contracted Services	586	
Total Vocational Education Program		80,057

Adult Programs

Supervisor/Director	\$ 1,821	
Social Security	110	

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Adult Programs (Cont.)

Pensions	\$	165	
Medical Insurance		125	
Employer Medicare		26	
Other Contracted Services		750	
Total Adult Programs			\$ 2,997

Other Programs

On-behalf Payments to OPEB	\$	167,990	
Total Other Programs			167,990

Board of Education

Other Salaries and Wages	\$	275	
Board and Committee Members Fees		16,200	
Social Security		1,020	
Pensions		16	
Unemployment Compensation		25,000	
Employer Medicare		238	
Audit Services		7,200	
Dues and Memberships		6,918	
Legal Services		23,683	
Other Contracted Services		4,744	
Office Supplies		145	
Liability Insurance		103,368	
Trustee's Commission		264,068	
Workers' Compensation Insurance		190,753	
In Service/Staff Development		595	
Criminal Investigation of Applicants - TBI		1,394	
Other Charges		6,227	
Total Board of Education			651,844

Director of Schools

County Official/Administrative Officer	\$	116,277	
Secretary(ies)		38,435	
Social Security		8,920	
Pensions		18,555	
Life Insurance		554	
Medical Insurance		17,569	
Dental Insurance		711	
Employer Medicare		2,198	
Other Fringe Benefits		214	
Advertising		4,431	
Communication		25,264	
Dues and Memberships		3,168	
Maintenance and Repair Services - Equipment		1,365	
Postal Charges		4,857	
Travel		6,697	

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

Other Contracted Services	\$	2,739	
Food Supplies		484	
Office Supplies		3,924	
Other Supplies and Materials		301	
In Service/Staff Development		1,129	
Other Charges		305	
Administration Equipment		9,495	
Total Director of Schools			\$ 267,592

Office of the Principal

Principals	\$	971,765	
Career Ladder Program		9,000	
Assistant Principals		392,585	
Secretary(ies)		492,404	
Social Security		108,036	
Pensions		151,693	
Medical Insurance		304,021	
Dental Insurance		2,241	
Employer Medicare		25,267	
Other Fringe Benefits		572	
Communication		100,689	
Licenses		5,868	
Travel		2,262	
Food Supplies		267	
Office Supplies		11,750	
In Service/Staff Development		1,529	
Other Charges		16,567	
Administration Equipment		4,942	
Total Office of the Principal			2,601,458

Fiscal Services

Supervisor/Director	\$	79,538	
Accountants/Bookkeepers		190,775	
Other Salaries and Wages		10,024	
Social Security		16,534	
Pensions		16,292	
Medical Insurance		33,904	
Dental Insurance		2,739	
Employer Medicare		3,867	
Other Fringe Benefits		663	
Data Processing Services		9,768	
Dues and Memberships		700	
Travel		606	
Data Processing Supplies		5,075	
Office Supplies		982	
In Service/Staff Development		5,556	
Administration Equipment		2,400	
Total Fiscal Services			379,423

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel

Supervisor/Director	\$	60,845	
Career Ladder Program		700	
Secretary(ies)		22,518	
Social Security		4,963	
Pensions		6,870	
Medical Insurance		7,977	
Employer Medicare		1,161	
Travel		55	
Other Contracted Services		2,842	
In Service/Staff Development		1,281	
Total Human Services/Personnel			\$ 109,212

Operation of Plant

Janitorial Services	\$	1,339,284	
Disposal Fees		36,094	
Other Contracted Services		1,210	
Electricity		1,118,344	
Natural Gas		99,864	
Water and Sewer		225,327	
Building and Contents Insurance		295,338	
Total Operation of Plant			3,115,461

Maintenance of Plant

Supervisor/Director	\$	31,845	
Secretary(ies)		35,442	
Social Security		3,968	
Pensions		3,903	
Medical Insurance		7,801	
Employer Medicare		928	
Communication		5,189	
Maintenance Agreements		729,730	
Maintenance and Repair Services - Buildings		180,300	
Maintenance and Repair Services - Equipment		11,004	
Maintenance and Repair Services - Vehicles		259	
Pest Control		23,740	
Disposal Fees		2,796	
Permits		3,295	
Other Contracted Services		80,400	
Equipment and Machinery Parts		44,065	
Gasoline		3,476	
General Construction Materials		78,121	
Other Supplies and Materials		25,430	
Vehicle and Equipment Insurance		15,511	
Other Charges		80,602	
Total Maintenance of Plant			1,367,805

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation

Supervisor/Director	\$	31,845	
Mechanic(s)		156,499	
Bus Drivers		1,106,816	
Guards		21,612	
Secretary(ies)		35,441	
Bonus Payments		46,400	
Other Salaries and Wages		110,523	
In-service Training		5,440	
Social Security		85,416	
Pensions		76,529	
Medical Insurance		142,548	
Dental Insurance		5,295	
Employer Medicare		21,327	
Other Fringe Benefits		1,382	
Communication		3,950	
Contracts with Parents		7,747	
Laundry Service		6,732	
Licenses		635	
Maintenance and Repair Services - Vehicles		102,452	
Medical and Dental Services		4,675	
Disposal Fees		435	
Other Contracted Services		18,147	
Crushed Stone		383	
Diesel Fuel		130,173	
Gasoline		9,660	
Lubricants		3,688	
Tires and Tubes		35,445	
Vehicle Parts		102,778	
Other Supplies and Materials		1,863	
Vehicle and Equipment Insurance		87,252	
In Service/Staff Development		1,506	
Other Charges		1,722	
Total Transportation			\$ 2,366,316

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	6,750	
Teachers		82,342	
Bus Drivers		38,250	
Social Security		7,377	
Pensions		8,620	
Employer Medicare		1,797	
Travel		211	
Other Supplies and Materials		3,725	
In Service/Staff Development		1,157	
Other Charges		37,670	
Total Community Services			187,899

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education

Supervisor/Director	\$	34,682	
Teachers		220,661	
Educational Assistants		72,309	
Certified Substitute Teachers		465	
Non-certified Substitute Teachers		812	
Social Security		19,061	
Pensions		27,263	
Medical Insurance		53,844	
Dental Insurance		2,947	
Employer Medicare		4,459	
Other Fringe Benefits		648	
Communication		300	
Travel		99	
Other Contracted Services		14,095	
Food Supplies		6,253	
Instructional Supplies and Materials		5,466	
Other Supplies and Materials		4,051	
In Service/Staff Development		2,016	
Other Charges		43,147	
Other Equipment		23,133	
Total Early Childhood Education			\$ 535,711

Capital OutlayRegular Capital Outlay

Building Improvements	\$	112,715	
Furniture and Fixtures		26,473	
Heating and Air Conditioning Equipment		667,600	
Other Capital Outlay		584,000	
Total Regular Capital Outlay			1,390,788

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	438,348	
Total Education			438,348

Total General Purpose School Fund \$ 49,133,957

School Federal Projects FundInstructionRegular Instruction Program

Educational Assistants	\$	122,154	
Other Salaries and Wages		22,094	
Certified Substitute Teachers		188	
Non-certified Substitute Teachers		1,115	
Social Security		7,965	
Pensions		9,072	

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

Medical Insurance	\$	47,196	
Dental Insurance		1,351	
Employer Medicare		1,865	
Other Fringe Benefits		380	
Other Contracted Services		224	
Instructional Supplies and Materials		44,387	
Other Supplies and Materials		7,874	
Regular Instruction Equipment		38,825	
Total Regular Instruction Program			\$ 304,690

Special Education Program

Teachers	\$	3,000	
Educational Assistants		596,457	
Speech Pathologist		41,202	
Social Security		36,663	
Pensions		35,371	
Medical Insurance		149,436	
Dental Insurance		16,039	
Employer Medicare		8,574	
Other Fringe Benefits		3,430	
Other Contracted Services		29,500	
Instructional Supplies and Materials		618	
Other Supplies and Materials		14,038	
Special Education Equipment		23,467	
Total Special Education Program			957,795

Vocational Education Program

Instructional Supplies and Materials	\$	23,913	
Vocational Instruction Equipment		44,126	
Total Vocational Education Program			68,039

Support ServicesOther Student Support

Other Salaries and Wages	\$	319,401	
Social Security		19,150	
Pensions		28,874	
Medical Insurance		39,946	
Dental Insurance		1,298	
Employer Medicare		4,478	
Other Fringe Benefits		287	
Communication		486	
Postal Charges		725	
Travel		4,995	
Other Supplies and Materials		25,907	
In Service/Staff Development		5,575	
Total Other Student Support			451,122

(Continued)



## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program

Supervisor/Director	\$	62,759	
Secretary(ies)		27,140	
Other Salaries and Wages		255,308	
Social Security		20,774	
Pensions		30,306	
Medical Insurance		36,659	
Employer Medicare		4,859	
Travel		1,658	
Other Supplies and Materials		1,750	
In Service/Staff Development		79,179	
Total Regular Instruction Program			\$ 520,392

Special Education Program

Psychological Personnel	\$	56,239	
Other Salaries and Wages		164,090	
Social Security		13,008	
Pensions		17,120	
Medical Insurance		28,975	
Dental Insurance		1,538	
Employer Medicare		3,042	
Other Fringe Benefits		215	
Other Supplies and Materials		21,856	
In Service/Staff Development		8,882	
Total Special Education Program			314,965

Vocational Education Program

Supervisor/Director	\$	2,000	
Social Security		124	
Pensions		116	
Employer Medicare		29	
Other Supplies and Materials		178	
In Service/Staff Development		82	
Total Vocational Education Program			2,529

Transportation

Bus Drivers	\$	15,911	
Social Security		393	
Pensions		333	
Employer Medicare		231	
Total Transportation			16,868

Total School Federal Projects Fund \$ 2,636,400

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	63,396	
Clerical Personnel		72,451	
Cafeteria Personnel		1,074,257	
Bonus Payments		151	
Social Security		72,364	
Pensions		38,452	
Life Insurance		1,137	
Medical Insurance		139,382	
Dental Insurance		9,693	
Disability Insurance		1,449	
Employer Medicare		17,076	
Other Fringe Benefits		2,222	
Advertising		147	
Communication		16,660	
Dues and Memberships		96	
Maintenance and Repair Services - Equipment		44,054	
Transportation - Other than Students		20,615	
Travel		3,549	
Other Contracted Services		52,028	
Equipment and Machinery Parts		2,355	
Food Preparation Supplies		110,501	
Food Supplies		1,189,393	
Office Supplies		7,447	
Uniforms		1,216	
Utilities		100,223	
USDA - Commodities		173,529	
Other Supplies and Materials		2,783	
In Service/Staff Development		13,034	
Other Charges		1,270	
Food Service Equipment		16,231	
Total Food Service			<u>\$ 3,247,161</u>

Total Central Cafeteria Fund \$ 3,247,161

Extended School Program FundOperation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	34,682
Other Salaries and Wages		739,069
Social Security		45,724
Pensions		29,646
Medical Insurance		131,182
Dental Insurance		5,561
Employer Medicare		10,694
Other Fringe Benefits		1,392
Communication		7,464

(Continued)

## Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department (Cont.)

Extended School Program Fund (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

Dues and Memberships	\$	1,025	
Maintenance and Repair Services - Equipment		9,290	
Travel		926	
Permits		50	
Other Contracted Services		5,176	
Food Supplies		34,082	
Other Supplies and Materials		29,472	
In Service/Staff Development		2,799	
Other Charges		8,793	
Other Equipment		27,840	
Total Community Services			<u>\$ 1,124,867</u>

Total Extended School Program Fund		<u>\$ 1,124,867</u>
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Total Governmental Funds - Cheatham County School Department		<u><u>\$ 56,142,385</u></u>
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Exhibit J-9

Cheatham County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,767,107
Total Cash Receipts	<u>\$ 2,767,107</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,739,436
Trustee's Commission	27,671
Total Cash Disbursements	<u>\$ 2,767,107</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2015	<u>0</u>
Cash Balance, June 30, 2016	<u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Cheatham County Mayor and  
Board of County Commissioners  
Cheatham County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Cheatham County's basic financial statements, and have issued our report thereon dated February 17, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cheatham County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cheatham County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal controls, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cheatham County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

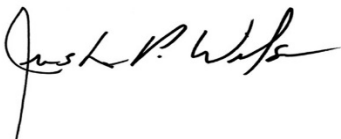
### **Cheatham County's Responses to the Findings**

Cheatham County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cheatham County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cheatham County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 17, 2017

JPW/kp



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

Independent Auditor's Report

**Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

Cheatham County Mayor and  
Board of County Commissioners  
Cheatham County, Tennessee

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Cheatham County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cheatham County's major federal programs for the year ended June 30, 2016. Cheatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Cheatham County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements*



*for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cheatham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cheatham County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Cheatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cheatham County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we

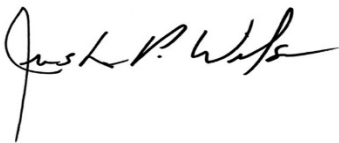
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Cheatham County's basic financial statements. We issued our report thereon dated February 17, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long, sweeping underline.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 17, 2017

JPW/kp

Cheatham County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 173,529 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	512,518
National School Lunch Program	10.555	N/A	1,381,250 (4)
Fresh Fruit and Vegetable Program	10.582	N/A	81,223
Total U.S. Department of Agriculture			<u>\$ 2,148,520</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 11,224
Total U.S. Department of the Interior			<u>\$ 11,224</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 10,004
Total U.S. Department of Justice			<u>\$ 10,004</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	\$ 24,933
National Priority Safety Programs	20.616	N/A	20,788
Total U.S. Department of Transportation			<u>\$ 45,721</u>
U.S. Department of Education:			
Direct Program:			
School Safety National Activities	84.184	N/A	\$ 874,213
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	995,880
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,396,463
Special Education - Preschool Grants	84.173	N/A	33,462
Career and Technical Education - Basic Grants to States	84.048	N/A	81,138
Twenty-first Century Community Learning Centers	84.287	N/A	187,899
Improving Teacher Quality State Grants	84.367	N/A	269,759
Total U.S. Department of Education			<u>\$ 3,838,814</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 32,850
Homeland Security Grant Program	97.067	(3)	1,500
Total U.S. Department of Homeland Security			<u>\$ 34,350</u>
Total Expenditure of Federal Awards			<u>\$ 6,088,633</u>

(Continued)

Cheatham County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
ALERT! Arts Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	\$ 991
Early Childhood Education - State Department of Education	N/A	(3)	498,871
Safe Schools Act - State Department of Education	N/A	(3)	10,000
Coordinated School Health - State Department of Health	N/A	(3)	105,000
Internet Connectivity Grant - State Department of Education	N/A	(3)	17,035
ACT-EXP - State Department of Education	N/A	(3)	12,763
Litter Program - State Department of Transportation	N/A	(3)	36,190
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(3)	9,000
Rural Local Health Services - State Department of Health	N/A	(3)	30,864
Technology Grant - State Library and Archives	N/A	(3)	1,251
			<u>\$ 721,965</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Cheatham County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Total for CFDA No. 10.555 is \$1,554,779.

Cheatham County, Tennessee  
Summary Schedule of Prior-year Audit Findings  
For the Year Ended June 30, 2016

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Cheatham County, Tennessee, for the year ended June 30, 2016.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	190	2015-001	The Payroll Tax Bank Account was not Reconciled with the General Ledger	N/A	Corrected
2015	190	2015-002	The Trustee and County Clerk did not Require Depositories to Adequately Collateralize Funds	N/A	Corrected
2015	191	2015-003	The Sheriff had Discrepancies in Drug Operations Currently Being Investigated	N/A	Not Corrected - See Related findings in current-year report

***Prior-year Federal Award Findings***

There were no prior-year federal award findings to report.

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**CHEATHAM COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2016**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Cheatham County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553 and 10.555      Nutrition Cluster: School Breakfast Program and National School Lunch Program
  - \* CFDA Number 84.010      Title I Grants to Local Education Agencies
  - \* CFDA Number 84.184      School Safety National Activities
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses are paraphrased and presented following each finding and recommendation. The interim director of schools and sheriff provided corrective action plans for these findings, which are paraphrased and presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report.

### **OFFICE OF DIRECTOR OF SCHOOLS**

#### **FINDING 2016-001**

#### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations. These deficiencies exist due to an oversight by management and because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

- A. Total expenditures and other uses of the General Purpose School and the Extended School Program funds exceeded total appropriations approved by the county commission by \$70,675 and \$6,492, respectively.
- B. Expenditures exceeded appropriations approved by the county commission in eight of 29 major appropriation categories (the legal level of control) in the General Purpose School Fund as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Instruction - Regular Instruction Program	\$ 373,967
Instruction - Special Education Program	40,262
Support Services - Attendance	2,157
Support Services - Alternative Instruction Program	6,928
Support Services - Vocational Education Program	109
Support Services - Office of the Principal	100,347
Support Services - Fiscal Services	42,164
Support Services - Operation of Plant	132,641

- C. Salaries exceeded appropriations in 37 of the 96 salary line-items of the General Purpose School, School Federal Projects, Central Cafeteria, and Extended School Program funds by amounts ranging from \$30 to \$91,462. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the

salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

#### RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

#### MANAGEMENT’S RESPONSE – INTERIM DIRECTOR OF SCHOOLS

We concur with this finding. Management recognizes the impact of the above finding and acknowledges the need for due diligence to ensure budget overages do not happen in the future.

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#### OFFICE OF SHERIFF

On January 26, 2016, the Cheatham County Sheriff filed a fraud reporting form with the Comptroller’s Office to report a suspected shortage in the department’s Narcotics Unit. The results of the investigation are presented below. These findings have also been reviewed with the District Attorney General.

#### FINDING 2016-002

**THE NARCOTICS UNIT HAD A CASH SHORTAGE OF \$1,145 AT FEBRUARY 3, 2016**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Cheatham County Sheriff Department’s Narcotics Unit had a cash shortage of \$1,145 at February 3, 2016. The unit maintains cash on hand to supply agents with funds for confidential undercover operations and drug buys. We noted \$1,120 of confidential funds maintained by the former Narcotics Unit lieutenant was unaccounted for, \$60 of confidential funds assigned to an agent was unaccounted for, and \$251 of seized funds were unaccounted for. When the former lieutenant left employment, \$286 was discovered in his office resulting in a net shortage of \$1,145. This deficiency exists because management failed to provide proper oversight.

#### RECOMMENDATION

Management should take steps to recover the \$1,145 cash shortage and provide proper oversight of agent confidential funds.



## MANAGEMENT'S RESPONSE – SHERIFF

The Cheatham County Sheriff, Mike Breedlove, concurs with the finding and has taken the following action:

On February 8, 2017, the former lieutenant was sent an official letter by Sheriff Breedlove and advised of the audit finding shortage. The investigation did not find that there was criminal intent by the lieutenant to purposely commit theft of the missing funds. An example was money found in his desk that was not connected to any case or subject. There was overwhelming evidence of poor documentation and mismanagement of monies the lieutenant was in charge of, including no organized drug file system. The former lieutenant was asked if he was willing to make reimbursement to the missing funds as he first offered on February 5, 2016. On February 15, 2017, the former lieutenant contacted Chief Tim Binkley and requested two weeks to make the reimbursement. He was granted the request.

Lt. Shannon Hefflin was immediately put in charge of the Drug Unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agent's files along with receiving all submitted drug evidence.

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### FINDING 2016-003

#### **THE NARCOTICS UNIT HAD QUESTIONABLE EXPENSES WITH CONFIDENTIAL FUNDS TOTALING \$570**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Cheatham County Sheriff Department's Narcotics Unit had questionable expenses with confidential funds totaling \$570. The unit maintains cash on hand to supply agents with funds for confidential undercover operations and drug buys. Forms documenting payments to confidential informants require the signatures of the informant, the agent, and a witnessing officer. We noted five instances totaling \$570 when the former lieutenant over the Narcotics Unit filled out forms using a different agent's name and had the agent sign off on the paperwork after the transactions were completed. The agent stated that he did not witness the former lieutenant make the payments and that the forms were filled out in their entirety by the lieutenant but made to appear as if the agent had completed them. This deficiency exists because management failed to follow proper protocol in disbursing confidential funds.

### RECOMMENDATION

Management should continue to investigate the questionable expenses for propriety and provide proper oversight of agent confidential funds.

## MANAGEMENT'S RESPONSE – SHERIFF

The case file reflected the \$570 was reported paid to a confidential informant, but the proper receipts were not in the CI's file jacket.

Since February 2016, all cash transactions between agents and informants are witnessed and signed by a second agent or their supervisor. All payments to an informant are signed with their assigned codes or numbers given to them and are witnessed by a third party. No agent is to sign off on transactions they did not witness and if they do, understand they are subject to suspension and/or termination. Disbursing of confidential funds will be strictly adhered to.

---

**FINDING 2016-004**

**EVIDENCE SEIZED BY THE NARCOTICS UNIT WAS MISSING**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of the investigation into the Cheatham County Sheriff Department's Narcotics Unit, auditors selected evidence seized from case files on hand and attempted to trace these items to the evidence room or to a satisfactory disposition. As a result of these tests, we discovered four drug seizures and one laptop seizure that could not be accounted for. The Narcotics Unit did not maintain inventory records of drug evidence and seized property; therefore, we were unable to determine if this is a complete list of the missing evidence. This deficiency exists because management failed to adequately inventory evidence and seized property and failed to provide proper oversight.

**RECOMMENDATION**

Management should take steps to determine what happened to the missing evidence and assign responsibility for this lack of internal control. A perpetual log should be maintained for all evidence and seized property. At a minimum, this log should include: date received, case number, description, location, signatures of individuals signing evidence in and out, and disposition.

**MANAGEMENT'S RESPONSE – SHERIFF**

I concur with the finding. All evidence during the former lieutenant's supervision was placed in his custody at the time per his orders. The former lieutenant would then place the evidence in the evidence room with no second person assigned for checks and balances.

I immediately mandated Lieutenant Heflin, drug agents, and administrative assistant Jarrett create an internal control where no one person is responsible for the chain of custody but, at least two if not three to maintain checks and balances. Beginning with the receiving of and conclusion by the order of destruction of all evidence will insure the impartial integrity of each case.

One drug seizure called suboxone was discovered in the billfold of the defendant. The billfold was turned into the booking room as evidence and the drug, by policy, would have been turned over to the nurse on duty. Documentation from the medical records of the subject arrested showed no suboxone listed. It was verified that the defendant had a legitimate prescription for 25 suboxone; however, there was a failure on the booking room's part to inventory the

billfold contents. They listed receiving a billfold and contents but did not describe the individual items inside. This is CCSO jail policy violation.

The remaining three drug seizures have not been accounted for; however, interviews of former drug agent Tim Hatter revealed his memory that on one arrest (11/18/14), 92 prescribed oxycodone and 24 alprazolam were determined to be legitimately prescribed to the arrestee and returned to him. The attached offense report did not record that oxycodone or alprazolam was seized. There were several unsuccessful attempts to contact the person who was originally charged.

The fourth unaccounted drug evidence was three suboxone seized on 5/21/15. There was no property receipt recorded and no evidence seized on the above date was submitted in the property room. It was possible the defendant had a prescription but could not be verified.

The missing laptop still remains unaccounted for after several searches in the offices and evidence room. The TBI and Dickson County Sheriff's Office were contacted as these two agencies regularly receive seized computers. The missing computer was not delivered to either agency. All other evidence was returned to the defendant as was recorded as such. The computer is still unaccounted for. The former lieutenant was contacted and stated he was positive the computer was returned to the defendant along with the other evidence, which was verified returned; however, there was no documentation found supporting the former lieutenant's claim concerning the computer.

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#### FINDING 2016-005

#### **CONFIDENTIAL INFORMANT AGREEMENTS AND PAYMENT HISTORY LOGS WERE NOT MAINTAINED PROPERLY**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Deficiencies were noted in the maintenance of confidential informant files. Payments to confidential informants were recorded on agent's activity logs and supported with the required signed documentation. However, in 16 of 21 confidential informant files reviewed, payments were not posted to confidential informant payment history logs as required by the governing statutes. In addition, in 8 of 21 confidential informant files reviewed, no witness signature was obtained on the agreement, and we noted one payment to an informant who did not have an agreement on file at all. This deficiency exists because management failed to provide proper oversight.

#### RECOMMENDATION

Confidential informant agreements should be on file for all informants, they should include all required signatures and payment history logs should be maintained properly and periodically reconciled with the individual agent's activity logs.

## MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding and changes have been made where and how each file is maintained. A new payment log was implemented and all payments are recorded and witnessed. All confidential informant receipts are maintained in the individual confidential informant packet. All money is strictly maintained by the supervisor and administrative assistant. Every disbursement goes through a three tier system where the drug agent is required to sign off receiving funds and at least two agents witness payments to informants.

### FINDING 2016-006

#### **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF NARCOTICS UNIT CASE FILES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Deficiencies were noted in the maintenance of the Narcotics Unit case files. Case files did not include the seizing agency copy of the Notice of Property Seizure and Forfeiture of Conveyances form, the Order of Forfeiture form submitted to the Tennessee Department of Safety, the Department of Safety orders awarding seized property to the seizing agency or to the defendants, Tennessee Bureau of Investigation lab reports, receipts from the Trustee's Office or the Sheriff's bookkeeper verifying deposit of seized funds, property release forms used when seized property is released, tow tickets when seized vehicles are towed to storage, receipts from sale of awarded property, or receipts to prove deposit of the sale proceeds. This deficiency exists because management failed to provide proper oversight.

### RECOMMENDATION

Case files should include all required documents and should be kept current to ensure all seized property and evidence are accounted for from the time of seizure until final disposition.

## MANAGEMENT'S RESPONSE – SHERIFF

The narcotics files have been completely restructured and organized with all required forms included in each case file. Lt. Heflin and Marcy Jarrett, along with the present drug agents, have developed an organized system, which follows all protocols required by the state auditors.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

**Cheatham County, Tennessee  
Management's Corrective Action Plan  
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

**Corrective Action - Financial Statement Findings**

**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 2016-001                      THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

Response and Corrective Action Plan Prepared by:	Dan Henderson, Chief of Operations
Person Responsible for Implementing the Corrective Action:	Dan Henderson, Chief of Operations
Anticipated Completion Date of Corrective Action:	June 30, 2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

**Planned Corrective Action:**

To specifically correct the budget overage condition, I will bring budgetary corrective action to the school board and commission earlier in the year in order to give them time to authorize additional funding. Specifically, I will bring budgetary adjustments for the FY 2017 Budget Year to both elected bodies in March of 2017. For subsequent year, budgetary assessments and course corrections will be done in November and March.

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**OFFICE OF SHERIFF**

**FINDING 2016-002                      THE NARCOTICS UNIT HAD A CASH SHORTAGE OF \$1,145 AT FEBRUARY 3, 2016**

Response and Corrective Action Plan Prepared by:	Sheriff Mike Breedlove
Person Responsible for Implementing the Corrective Action:	Lieutenant Shannon Heflin, Cheatham County Sheriff's Department
Anticipated Completion Date of Corrective Action:	Fiscal Year 2016-2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

Planned Corrective Action:

On February 8, 2017, the former lieutenant was sent an official letter by Sheriff Breedlove and advised of the audit finding shortage. The former lieutenant was asked if he was willing to make reimbursement to the missing funds as he first offered on February 5, 2016. On February 15, 2017, the former lieutenant contacted Chief Tim Binkley and requested two weeks to make the reimbursement.

Lieutenant Shannon Heflin was immediately put in charge of the drug unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agent's files along with receiving all submitted drug evidence.

It has been a year since the corrective actions have been implemented. The drug unit, led by Lt. Heflin, has been progressing productively and cases against drug dealers are ongoing. The Sheriff's Office is in its second phase of the war on drug dealers in Cheatham County.

Communication and insuring of reports, evidence, drug fund money, and accountability are in place with the Cheatham drug unit.

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FINDING 2016-003

**THE NARCOTICS UNIT HAD QUESTIONABLE EXPENSES  
WITH CONFIDENTIAL FUNDS TOTALING \$570**

Response and Corrective Action Plan Prepared by:	Sheriff Mike Breedlove
Person Responsible for Implementing the Corrective Action:	Lieutenant Shannon Heflin, Cheatham County Sheriff's Department
Anticipated Completion Date of Corrective Action:	Fiscal Year 2016-2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

Planned Corrective Action:

Since February 2016, all cash transactions between agents and informants are witnessed and signed by a second agent or their supervisor. All payments to informants are signed with their assigned codes or numbers given to them and all are witnessed by a third party. No agent is to sign off on transactions they did not witness and if they do, understand they are subject to suspension and/or termination. Disbursing of funds will be strictly adhered to.

Lieutenant Shannon Heflin was immediately put in charge of the drug unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agent's files along with receiving all submitted drug evidence.

It has been a year since the corrective actions have been implemented. The drug unit, led by Lt. Heflin, has been progressing productively and cases against drug dealers are ongoing. The Sheriff's Office is in its second phase of the war on drug dealers in Cheatham County.

Communication and insuring of reports, evidence, drug fund money, and accountability are in place with the Cheatham drug unit.

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**FINDING 2016-004**

**EVIDENCE SEIZED BY THE NARCOTICS UNIT WAS MISSING**

Response and Corrective Action Plan Prepared by:	Sheriff Mike Breedlove
Person Responsible for Implementing the Corrective Action:	Lieutenant Shannon Heflin, Cheatham County Sheriff's Department
Anticipated Completion Date of Corrective Action:	Fiscal Year 2016-2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

**Planned Corrective Action:**

Sheriff Breedlove immediately mandated Lieutenant Heflin, drug agents, and administrative assistant Jarrett create internal controls where no one person is responsible for the chain of custody, but at least two if not three to maintain checks and balances. Beginning with the receiving of and conclusion by the order of destruction of all evidence will insure the impartial integrity of each case.

Lieutenant Shannon Heflin was immediately put in charge of the drug unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agent's files along with receiving all submitted drug evidence.

It has been a year since the corrective actions have been implemented. The drug unit, led by Lt. Heflin, has been progressing productively and cases against drug dealers are ongoing. The Sheriff's Office is in its second phase of the war on drug dealers in Cheatham County.

Communication and insuring of reports, evidence, drug fund money, and accountability are in place with the Cheatham drug unit.

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**FINDING 2016-005**

**CONFIDENTIAL INFORMANT AGREEMENTS AND PAYMENT HISTORY LOGS WERE NOT MAINTAINED PROPERLY**

Response and Corrective Action Plan Prepared by:	Sheriff Mike Breedlove
Person Responsible for Implementing the Corrective Action:	Lieutenant Shannon Heflin, Cheatham County Sheriff's Department
Anticipated Completion Date of Corrective Action:	Fiscal Year 2016-2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A



Planned Corrective Action:

A new payment log was implemented and all payments are recorded and witnessed. All confidential informant receipts are maintained in the individual confidential informant packet. All money is strictly maintained by the supervisor and administrative assistant. Every disbursement goes through a three tier system where the drug agent is required to sign off receiving funds and at least two agents witness payments to informants.

Lieutenant Shannon Heflin was immediately put in charge of the drug unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agents' files along with receiving all submitted drug evidence.

It has been a year since the corrective actions have been implemented. The drug unit, led by Lt. Heflin, has been progressing productively and cases against drug dealers are ongoing. The Sheriff's Office is in its second phase of the war on drug dealers in Cheatham County.

Communication and insuring of reports, evidence, drug fund money, and accountability are in place with the Cheatham drug unit.

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FINDING 2016-006

**DEFICIENCIES WERE NOTED IN THE MAINTENANCE  
OF NARCOTICS UNIT CASE FILES**

Response and Corrective Action Plan Prepared by:	Sheriff Mike Breedlove
Person Responsible for Implementing the Corrective Action:	Lieutenant Shannon Heflin, Cheatham County Sheriff's Department
Anticipated Completion Date of Corrective Action:	Fiscal Year 2016-2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

Planned Corrective Action:

The narcotics files have been completely restructured and organized with all required forms included in each case file. Lt. Heflin and Marcy Jarrett, along with the present drug agents, have developed an organized system, which follows all protocols required by state auditors.

Lieutenant Shannon Heflin was immediately put in charge of the drug unit and directed to organize an accounting and management of every drug investigation. Administrative Assistant Marcy Jarrett was directed to maintain the agent's files along with receiving all submitted drug evidence.

It has been a year since the corrective actions have been implemented. The drug unit, led by Lt. Heflin, has been progressing productively and cases against drug dealers are ongoing. The Sheriff's Office is in its second phase of the war on drug dealers in Cheatham County.

Communication and insuring of reports, evidence, drug fund money, and accountability are in place with the Cheatham drug unit.

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Cheatham County.

### **CHEATHAM COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Cheatham County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Cheatham County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.